THE

BANKERS' MAGAZINE.

RHODES' JOURNAL OF BANKING AND THE BANKERS' MAGAZINE

CONSOLIDATED.

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FIFTY-FIRST YEAR. JANUARY, 1897. VOLUME LIV., No. 1.

THE ANNUAL REPORT OF THE COMPTROLLER OF THE CURRENCY to Congress is as usual a document that gives an intelligent and exhaustive view of the field of banking operations in the United States. Naturally much of the report is a reiteration and continuation of what has appeared without much effect upon legislation in previous years, but this continued reiteration strengthens the truth of all that has been said before, and brings it to bear with renewed cogency upon the minds of Congress and the general public.

The amendments of the organic law suggested by the Comptroller naturally become matters of necessity from the facts and figures collected through the operations of his office. They are based on the accurately prepared statistics, derived from reports made with the utmost care and formality to insure correctness. Probably in no public department in the world is there more power used with greater care and intelligence to secure the facts relative to the banking business than is constantly employed in the office of the Comptroller of the Currency. The suggestions of this official should therefore receive the attention of Congress.

The general inferences which he draws from the facts upon which he bases his daily judgments in particular cases must necessarily be of greater value than the comparatively hasty deductions which Congressmen might make from the same facts, biased as they are apt to be by local prejudice or favoritism for some personal measure.

The Comptroller deals with the banks of the whole country, not only in a purely statistical way, but necessarily at times interferes officially with their practical banking operations. He has his eye constantly on the dead line, which no bank can cross without seriously risking its continued existence. He knows the temptations, the accidents, the adverse financial laws, that constantly drive some banks in this direction. His judgment as to the methods of reducing these

dangers must have more data to act upon than that of any other person in the United States, be he banking expert or otherwise. Besides the facts and figures which he publishes or will supply to any one who applies in a proper manner, he has the practical daily experience, impossible to impart, except in the form of deductions and suggestions.

The value of the amendments of the banking law, and the suggestions as to the relations between this law and other financial laws of the country, is therefore most obvious. Each one of them is a deduction from carefully prepared and reported statistics. They will be commented on in the order of their importance as it appears to the Editor of the MAGAZINE.

The sixth and seventh recommendations are that National banks be organized in places of less than 2,000 inhabitants with a capital of $25,000, and that National banks be permitted to establish branches in places where no National bank is already established and where the population does not exceed 1,000.

The argument underlying these recommendations is that the growth in the number and capital of National, State and private banks throughout the United States has kept pace with that of wealth and population and that this indicates in a general way the popularity of the banking business. But notwithstanding this recognition of the utility of banks as a whole by the business public, the National banks as such are made the subjects of general and sweeping denunciation. Complaints against the national system, the Comptroller says, were originally based upon its being an invasion of the rights of the States, but that this ground of protest has of late given way to another and that is the excessive capital required to organize even the smallest national association. The minimum of $50,000 capital makes it impossible to organize a National bank in many sections of the country on account of lack of this amount of surplus capital. Therefore the recommendation that the minimum capital be reduced to $25,000 in places with less than 2,000 inhabitants.

The recommendation of branch banks is a natural corollary of this reduction of the minimum capital, to supply banking facilities to a still smaller class of localities needing banking facilities. The subject is surrounded with difficulties, and yet the recommendations are in themselves excellent and should be carried into effect.

The Comptroller perhaps goes rather too far in assuming that the opposition due to State antipathy has been entirely superseded. It has more likely merged in the other objection to the national system, that it does not furnish needed facilities. The antagonistic reasoning is perhaps more like this: If there were no National banks then there would be less reason for keeping up Federal restrictions on the organization of State banks. If these restrictions were abrogated State

banks could furnish greater facilities and use local credit with more advantage.

The National banks do not and can not under present law furnish these facilities, and their existence prevents the State banks from so doing. The opponents of the national system would gain the banking facilities by doing away with the system. The Comptroller seeks to remove their opposition by changing the law so as to enable National banks to accomplish the necessary result. This plan will not of course reconcile the State bankers, but it will go far to take away from them the constituency who now make the opposition of the State bankers very important. They now tell their actual and would-be customers that they must limit their accommodations because the Federal law in the interest of National banks prevents them from using their credit as effectually as they might. But if the field of action of the National banks was so enlarged as to accommodate these customers present and prospective, the reason for this form of attack would be removed.

The recommendations are in the right direction therefore, but they may not go far enough. The question of extending banking facilities so as to afford accommodation at the lowest possible rates of interest to the largest number of enterprising people whose capital may exist in rather intangible form, is a most difficult one. In all sections of the country there is a numerous class of small borrowers who cannot be accommodated by banks as at present constituted. These are obliged to go to the individual money lender who takes the risk the bank can not take, and charges interest accordingly. It is among this class of money lenders between the banks and this numerous class of borrowers of informal credit that the so-called money sharks are to be found. These men borrow from the banks and relend. They are often connected with the banks as officers, directors, stockholders or depositors. Whenever, justly or unjustly, they are accused of extorting excessive interest or of unduly taking advantage of debtors, they push the blame back on the banks and the banking system, and the mass of those who believe themselves rightly or wrongly to be oppressed blindly ascribe the blame to the banks and the laws that govern them.

The National banks from their high credit and superior safety, naturally, as a class, get the best and most numerously endorsed security, and the distressed debtor finally comes to look upon them as the part of the machine from which the unbearable pressure comes. The debtor in distress accuses the money shark, he in turn says the private or State bank is pressing him, these last say the national system makes it impossible for us to do otherwise.

Can this state of things be very much changed? Would it be better if the State banks were permitted to issue circulation? Is not the

very largest profit from the use of money derived from the class of transactions that lies below the sphere of ordinary bank facilities? As long as human nature is as it is, will not the hard grinding attorney and constable be a necessity in the collection of debts? The banks share in the profits of this necessary business. They will always share in the abuse which is the concomitant of wringing money due from the extravagant or the unfortunate.

But though it is a hard school through which the enterprising poor man has to learn how to accumulate capital, it is the one in which all who have become capitalists have learned to be so. It sifts out the worthy from the failures, and the process can not probably be much improved upon.

It is probable, however, that while banks can not be relied upon to abrogate the ultimate causes of these complaints, measures like those recommended by the Comptroller will change their direction. The debtor in trouble through fault or misfortune will not be so easily deceived as to where the fault lies. FLEDGEBY cannot so easily convince the distressed TWEMLOW that it is RIAH the Jew who wants the principal of his debt. The debtor will learn the wholesome lesson that he must himself bear the burden of his misfortunes, his improvidence, his lack of energy or his folly, and that it will not lighten this burden to abuse the banks for forcing his creditor to press for payment.

The reduction of the minimum of capital and the establishment of branch banks will enable the National banks to do a great deal of business directly which they now do through State and private banks, and no doubt these classes of institutions will strongly oppose legislation of this kind.

The first, second and third recommendations of the Comptroller are in the nature of further restrictions upon the conduct of business by managers of national associations. These recommendations are founded upon an examination of the causes of failure of 330 National banks since the commencement of the system in 1863, the results of which examination are given in full in the report.

The Comptroller has found that the main cause of failure has been insufficient attention to their duties by officers and directors, in many cases lapsing into dishonesty.

Looking more deeply into the underlying reason for the existence of this mismanagement and neglect, it will no doubt be found to be in the system of free banking by general law as opposed to monopoly banking by charter. Nothing relieves the system of banking in the United States from the charge of monopoly, as does this list of failures. It must be expected that where men of no banking experience, who become possessed of sufficient capital, can start a bank and

assume its management, that a certain proportion will prove failures. Monopoly banking being subjected to less competition can secure greater profits and employ a greater degree of skill in management. The failures in our National, State and private systems of banking are the price paid for freedom from monopoly. They must be expected under any possible degree of supervision. This is no reason for not aiding the vigilance of the Comptroller's office in any reasonable way.

The recommendations now made are, first, that the loans to executive officers and employees be restricted in amount, secured properly and only made after reference to the board of directors and separately recorded; second, that loans to directors not executive officers must be secured; third, that the directors be required to make an examination of the affairs of the bank once a year on a day selected by the Comptroller, and make to him a report thereof on a blank to be furnished. These are all very well in themselves. Generally speaking, however, any increase in restrictions imposed on National banks has a tendency to increase the distinction between them and all other banks. So long as banking capital can be employed with fewer restrictions in State banks the latter will tend to increase in numbers and National banks to decrease. Naturally the strongest and most select banks only will continue in the national system. If the same restrictions could be imposed on all bankers then this objection would not arise.

The first recommendation might be criticized on the ground that the President and Cashier are executive officers. The former is always and the latter frequently a director. Why should loans to them be restricted any more than to any other borrower?

The second recommendation seems superfluous, inasmuch as the law proposed could be evaded as readily as the present law, which we presume requires all loans to directors as well as to others to be properly secured.

The third recommendation might prove valuable in fixing the responsibility of directors in case of failure. It is to be feared, however, that it will have a tendency to make responsible men hesitate to accept the office.

The eighth and ninth recommendations are to reduce the tax on circulation to one-fourth of one per cent. per annum, and to permit the issue of circulating notes to an amount equal to the par value of bonds deposited. Congress should at once enact laws in accordance with these recommendations. They would give a more immediate impulse to business, with less debate, than any conceivable banking measure. (For the text of the Comptroller's Annual Report see pages 695-713 of the December number of the MAGAZINE.)

THE REPORT OF MR. CARLISLE, Secretary of the Treasury, printed elsewhere in this number, is so plain and convincing a statement of the financial situation of the United States that no one but a prejudiced partisan can fail to endorse in the main the conclusions he draws and the recommendations he makes.

Notwithstanding the deficit of revenue which has continued for the last fiscal year and which it is estimated will continue to prevail for the next if present business conditions remain unchanged, there is every reason to believe with the Secretary in the probability of an improvement in business conditions and such a consequent increase of revenue as will render any new imposition of taxes unnecessary. Therefore as Congress has waited so long without relieving the Government from the inconvenience of an inadequate revenue, it might as well remain inactive a little longer and let the country grow out of the difficulty without legislative assistance. And in advance of the advice given by the Secretary this seems to be the very course that Congress was about to adopt.

The report further contains some extremely judicious remarks upon the general subject of raising revenue, which, whether made the basis of action by the present or the next Congress, cannot fail to recommend themselves to all thinking men.

But it is not so much the province of the MAGAZINE to concern itself with that portion of the report relating to the tariff. It is in the recommendations of the Secretary with regard to the currency that more interest will be taken by our readers. In this portion of his report Mr. CARLISLE forcibly and clearly portrays the evils of the system of paper issues redeemable on demand by the Government. Not only the necessity of keeping up an adequate gold reserve at a great expense is deprecated, but also the pernicious consequences of the business interests of the country forming the habit of relying on this Government reserve to carry on our entire foreign trade. This consequence consists in the apprehensions excited by every diminution of the reserve, resulting in hoarding gold and currency and raising unduly the rates for money. The losses arising from these causes to the business community far exceed the great expense the Government is put to in issuing bonds to maintain the gold reserve.

The Secretary points out that since the resumption of specie payments in 1879 the entire volume of legal-tender notes and Treasury notes of 1890 has been redeemed in gold, and over ninety-eight millions of them have been redeemed twice over. To obtain the necessary gold the public debt has been increased to an extent requiring the payment of annual interest amounting to sixteen millions of dollars. The notes for the redemption of which this indebtedness has been incurred remain unpaid.

If this strain upon the finances of the country to maintain the legal-tender notes at par were to be the last, the process would have been ruinous enough. But there is every reason to think similar difficulty may repeatedly occur. An immense surplus in the Treasury kept up by heavy taxation will of course maintain the credit of the legal-tender notes, but this remedy is worse than bond issues, as it has a tendency to prevent any return to economy in appropriations.

A system of currency that entails heavy taxation or an increase of the public debt from time to time in order to secure public confidence in its redemption, ought certainly to be reformed.

Mr. CARLISLE advocates a retirement of the legal-tender notes so gradually as not to cause any apprehension of an undue contraction of the currency. He does not in this report recommend any bank-note system to take the place of the retired notes. In regard to the National banks he confines himself to the recommendations of the President and the Comptroller of the Currency, viz., branch banks, reduction of capital, and of taxation on circulation. Perhaps his experience with the diverse opinions of Congress when he was before that body at the last session to enforce the reasons for the recommendations as to reform of the banking system, which formed a part of his annual report for 1895, have made him despair of action in that direction.

There certainly is a conflict of interests, at least on the surface, between the various classes of banks in the United States that will render the passage of any general measure of bank currency reform difficult if not impossible.

On the whole this last financial utterance of the retiring Administration is as replete with sound knowledge and approved principles as any financial report since those of HAMILTON or GALLATIN.

THE QUESTION OF CURRENCY REFORM, if it is ever seriously taken up by Congress, can not be considered on narrow lines. If it is determined to retire Government notes and to relegate the currency issuing function to the banks, the interests not only of the National banks but of State and private banks will have to be taken under advisement.

By the last report of the Comptroller of the Currency there were in the United States on October 31, 1896, 3,679 National banks, 4,944 State banks and 3,552 private banks—in all 12,175. Besides there were 764 Savings banks that do very much the same kind of business.

The influence of 8,496 State and private banks will obviously have more weight than that of 3,679 National banks.

In giving the currency issues to banks the interests of all classes will have to be considered. The attempt to bring all the banks of the

country under the present restrictions of the national banking law would, it seems probable, prove futile in Congress. The State and private banks do business in a more liberal manner than the National banks are allowed to do. They are not subjected to so many restrictions or to such a rigid system of reports or examinations. There is in consequence a larger number of failures among the banks outside of the national system, but not so appreciably larger as might be supposed from the comparative freedom from restrictions.

There is probably a limit to the effect of Government supervision in preventing failures. Beyond that point it does not produce sufficient additional results to justify the excess of examinations; while on the other hand they become a useless expense and an annoyance.

The time has passed when there is anything to be made by starting banks for fraudulent purposes. The commercial and banking laws of the several States are generally well administered, and irregularities are as a rule punished by the ordinary machinery of the law.

The repeal of the ten per cent. tax on State bank circulation would be an extreme measure in favor of State and private banks, but even among these there are many who would be hostile to such a measure. Probably the majority of the banks of the country, not only National but also State and private, would dread a measure that would certainly tend to unsettle credits all over the country.

The other extreme measure would be one requiring a deposit of bonds for all circulation issued by the banks under the formalities and regulations now made necessary by the national banking law. This would be difficult for the State and private banks to conform to and would increase the bank currency sufficiently to fill the gap caused by the retirement of the legal-tender notes.

A measure, to gain the support of the banking capital of the whole country, must be made up of provisions that will form a compromise between the unnecessary severities of the national banking law and the free license of issuing notes that would be given by the repeal of the ten per cent. tax.

It is to be hoped that no measure will be considered by Congress that does not have, to some extent at least, the approval of the banking community. The bankers of course do not object to a proper degree of restriction, if they can see some corresponding benefit. Many of the banking bills introduced in Congress seem to be drawn without much reference to the easily determined wants of the banks. They contain provisions that are calculated to arouse the opposition of the banks in that they seek to force them to give the Government an entirely unnecessary degree of interference with their affairs.

The two or more classes of banks in the United States, operating under different laws, can be brought under one uniform law if Con-

gress sees fit to grant the necessary privileges with a moderate amount of restriction. The whole National Banking Act should be thoroughly revised, and the provisions distasteful to the State and private banks should be repealed. The provisions in the laws of each of the States that now work satisfactorily should be embodied in the revised national banking laws. To this should be added a provision for the issue of a safe and elastic currency, and every bank should be given power to establish branches in accordance with its capital. The completed measure should be such that all the banking capital of the country will find it to its advantage to seek investment under it.

A liberal treatment of banking capital by the laws of the country, while preserving necessary restrictions, will do much to insure permanent prosperity.

THE NON-ACTION OF THE PRESENT CONGRESS upon the important question of currency reform appears to be probable. The session closes March 4, and no one appears to have any well-grounded hope that in the next month and a half more will be accomplished than the passage of the ordinary appropriation bills, and perhaps the country will be agitated by the marking out of changes in the tariff to be made by the succeeding Congress.

Never before in the history of the United States was there a more pointed issue in any presidental campaign, or one so distinctly brought before the minds of the people. The friends of currency reform have the most emphatic right to claim that if the decision of the popular vote under a republican form of government ever has any weight, that the voice of the people in the last campaign makes it incumbent upon their Representatives and Senators in Congress to take up and as soon as possible place the financial laws of the country upon a sound and scientific basis.

The election of Mr. MCKINLEY should not be considered as a personal victory. His personal record or popularity had little to do with it. It was the principle of sound money and sound finance, as opposed to the conflicting monetary laws under which the nation, in spite of its resources and business energy, has been gradually led into a position of great financial danger, that aroused the majority of the people to make the decision they did. This result too was in great part due to the hope that reformative action would be prompt and immediate.

There are of course many specious excuses that can be made for the inaction of the present Congress. They are about to retire from power, they were elected under a different state of popular opinion, they do not desire to interfere with the work of their successors who

come directly from the people. Above all, the short time that remains of their existence does not give scope for the proper consideration of so important a question as that of the currency.

It has been considered one of the defects of the Constitution that so long a time elapses between the election of Representatives and the date of the session of Congress. Unless an extra session is called more than a year intervenes between the one event and the other. It often happens that a Congress elected one November upon a given issue finds by the next December that this issue is practically dead. The individual Representative in such case is very apt to consider himself as bound to nothing that involves any great public question, and busies himself entirely with the merely private and local interests of his constituents, from attention to which he hopes to secure re-election. This state of things tends to make the House of Representatives a body devoted to petty measures tending to the direct or indirect emolument of its members, and to a very great extent indifferent to questions of universal importance.

The majority in the present Congress secured their elections in 1894 because of the dissatisfaction of the people with the Administration in power on account of the consequences of the financial panic of 1893. They were no doubt in their first session handicapped, both actually and politically, by the danger that their measures might be vetoed by a President of the opposite party. But in this second session they have the recent declaration of the popular voice to endorse them in passing a measure reforming the evils which affect the currency and this they can do with little fear of being opposed by the retiring Administration.

It should be the duty of Congress to carry out the will of the people, and there is no reason why a retiring Congress when necessity calls should not seek to embody this popular expression in their enactments as well as the Congress elected when the vote was cast. The necessity that some enactment looking to the reform of the existing monetary laws of the country should be at least attempted, lies in the danger that the real purport of the victory for sound money in November will be forgotten or belittled by the less important interests of politicians or of particular classes of the people. Already indications in this direction are becoming manifest. The different and opposing interests that see profit or loss in contemplated changes of the tariff are already filling the air with the din of their contentions.

Politicians who scent in tariff agitation a chance to make themselves of importance with the contending parties show a desire to minimize the dimensions of the agitation for currency reform. The defeated advocates of free silver are recovering from the first effects

of their rout, and are claiming that it was a defeat hardly to be distinguished from a victory. And by the delay in clinching the declarations of the victorious platform in favor of sound money through legislative enactment, the advocates of so-called bimetallism are entitled to make this claim.

In fact the sole action taken in Congress since its meeting in December, in regard to the money question, has at this writing been far more encouraging to the advocates of silver than to those of the single gold standard. The Senate, in taking initiatory steps for the calling together of an international monetary conference to secure international bimetallism, was no doubt going through a solemn farce for a political purpose. It was good politics for the Republicans of the Senate to do this to help out the Colorado Senator who stood by them in the late campaign, and at the same time to reconcile as far as possible the shaky records of many other statesmen upon the silver question in the past with their present attitude of opposition to the free coinage of silver.

The old stalking-horse of an international monetary conference may well be called upon to revisit the glimpses of the moon, to serve this very useful purpose. But though the object of this action is manifest and the futility of any hope of bringing about the establishment of international bimetallism equally so, yet the effect on those desiring to keep up the agitation about silver will be immense. Anything that has the semblance of a fact in their favor is of great importance to these agitators. They have been living for years on allegations incapable of proof and prophecies equally incapable of fulfillment. An international monetary conference in the near future will be a bright bow of hope that will keep the silver party in board, clothing, lodging and washing for some time to come. Judging from claims made on less substantial grounds, it will afford them a fine opportunity to claim the victory in November.

In the face of this attitude of Congress it behooves the business men of the country, if they desire any real reform of the financial laws, to keep up the efforts necessary to secure it. The subject must not be allowed to drop. The sound money organizations should continue their efforts. The Indianapolis plan of united action among the commercial bodies and business men's associations of the United States is a good one and is the more opportune as the necessity for it becomes more manifest. The business men, bankers and capitalists, backed by the expression of the popular will in November, can now give Congress the benefit of their experience and advice without being accused of running counter to the interests and wishes of other classes. The public mind is subject to forgetfulness, and the success of currency reform depends upon continuous agitation wisely conducted.

REAL ESTATE SECURITY FOR BANK LOANS made by a commercial bank seems to be a subject upon which no fixed and rigid rules can be safely formulated. It is no doubt true that as a general principle all good bankers will avoid loading their institutions with assets which can not be readily converted into money, and all real estate in times of financial pressure is not as a rule a very convertible asset. Yet on the other hand good real estate is in many senses the very best security.

One alleged cause of the unpopularity of the National banks is that the provision of law preventing them from accepting real estate as security except in certain specific cases prevents them from giving accommodations to the agricultural classes, who generally have very little except land to offer as the basis of loans.

There is very little reason to question that the growth of State and private banks is due to the fact that they can and do make judicious loans to parties whose credit is almost wholly based on the possession of land.

Perhaps when the subject is carefully considered the assertion that a commercial bank should never make loans on the basis of real estate will be found to be at the present time at least altogether too broad, and it may follow that there is reason in the demand that the laws restricting National banks in this respect will bear considerable modification.

These laws were first enacted in 1863 and have been continued without change for thirty-three years. When the draft of the first national currency Act was made these restrictions were clipped almost entire from the free banking laws of Ohio and New York. Their presence in these laws was due to the abuses in the use of real estate as security which had arisen when the country was new, when there were vast tracts of land unsettled and uncleared and held simply for purposes of speculation. With the settlement of the country and the growth of cities and towns, the improvement of the wilderness into productive farms, many of the objections to this form of security have passed away.

There are still and always will be distinctions and grades in the value of real estate, but are there any more than exist between the different classes of stocks, bonds and other forms of investment? Real estate as well as all forms of property may be classed all along the line from gilt edged down to worthless. Bankers are permitted by law to use their own judgment as to making loans on all forms of collateral other than real estate.

There is no sweeping law, that because some stocks and bonds can not be readily converted into cash in times of stringency, they should eschew stocks and bonds altogether as collateral. There are losses

also on commercial paper pure and simple, but this does not lead to the prohibition of loans upon it.

The mistake seems to have been in adopting a classification of real estate adopted during a period thirty-three years ago very unlike the present one in respect to the general value of land, and adhering to it without any allowance of just distinctions brought about by the improvement of this kind of property. That real estate as security for loans might not be left more to the judgment of the individual banker than it now is by law, can not be easily denied. The fact is that for a number of years the State bankers have exercised these powers of discrimination, and have loaned money on real estate of the proper character almost as freely as upon good stocks and bonds.

Neither is the basic proposition against bank loans on real estate, that it cannot be converted into cash in times of panic, altogether true. There is some real estate upon which money can be raised at any time as easily as upon the best classes of other securities. It all depends upon the situation and the state of the title. When the Second National Bank of New York city was near failure during the panic of 1884, one of the directors saved the bank by raising money on the security of the Fifth Avenue Hotel.

There is plenty of real estate in all our cities and towns and everywhere in the country that if the title is clear can be turned into money, or what is the same thing can be mortgaged for money, when it might be impossible to sell stocks and bonds. This is not, however, altogether the direction this consideration should take. If by a commercial bank is meant one that confines its business to the discounting or purchase of commercial paper, based on actual goods or commercial business, then of course all other forms of security for loans, accommodation paper, loans on collateral, etc., should be excluded. But there is no bank in the country, commercial or otherwise, that does business in this virtually exclusive manner. There is too much competition to permit it.

It therefore appears no more than just that banks of the ordinary character should be permitted to use their money in such safe and profitable ways as may offer in the locality in which they are located. If real estate readily convertible at any time is offered to a National bank, why should it be forbidden to accept it as a basis for loans any more than stocks or bonds of a good class? The State and private bankers, the trust companies, and of course the Savings banks, do this with approximate safety. Why should not the National banks be permitted to do the same?

The amount of land in the country makes it a very important item in the calculations of all business men. Of course many banks that have failed have been found to be loaded up with unsalable real

estate, but as many more have had among their assets worthless stocks and bonds and uncollectible business paper. This is no argument whatever against the taking of good stocks and bonds as collateral and it should not be against taking good real estate.

The causes of failure in the cases where worthless assets of any kind are found always lie behind the taking in of such assets. A business man who has abused the confidence of the bank of which he may be an officer or director often attempts to cover up irregularities by handing in worthless stocks or bonds or real estate of no value. Real estate taken for debt is apt to be defective in title, heavily mortgaged, or of little intrinsic value, and this is for the very reason that if a business man has good real estate, he can always sell or mortgage it himself and pay his debts.

There is reason to believe, therefore, that the restrictions upon the free taking and holding of real estate by National banks tend to cause the very disasters they are supposed to prevent. The taking of real estate should, like the taking of all other forms of security, be left to the judgment of the management of the bank. Any bank management that would tie up its funds by loans on inconvertible real estate, if there were no legal restrictions, would do so notwithstanding these restrictions.

The parts of the national banking law relating to real estate loans and holding real estate should therefore be much remodelled or perhaps entirely abrogated.

THE REPORT OF THE DIRECTOR OF THE MINT for the fiscal year 1896 contains the statement that the standard silver dollars are being counterfeited. These spurious coins generally contain silver of practically the same weight and fineness as the genuine coins issued from the mints, and sometimes they contain a slightly greater amount of pure silver. The Director adds that counterfeiters can make 100 per cent. by putting in circulation coins of exactly the same weight and fineness as the genuine dollar.

The counterfeits already discovered have varied slightly from the genuine, but it is a common device of counterfeiters to make slight differences in their first issues either of paper or coined money. When these slight earmarks are taken notice of by experts and the public informed by publication, the counterfeiters then make the necessary corrections in their die and the public is likely to be more deceived than ever.

The making of false silver dollars of this kind involves the employment of considerable capital, and there is no limit to the extent to which the work might be carried on except the greater risk of detec-

tion in a large establishment. Within the borders of the United States, in the wilder portions of the country, a mint might be safely operated for a long time without detection, and across the border in British America, or in Mexico, this business might be carried on for a long time in safety.

The Director recommends the making of new designs for the silver dollar with letters instead of milling around the edges. While this might do for the future there would be so many dollars of the old pattern in circulation that the counterfeiters need not depart from the old design for years.

If counterfeiters of American coin are detected in foreign countries there would of course be no difficulty in bringing them to justice under the extradition laws now in force. If this work is permitted to go on extensively it might in the course of a few years depreciate the currency to some degree. In all probability the seriousness of the offense and its dangerous consequences to the monetary system will insure great efforts at detection and punishment. The Government itself can easily discover and throw out such counterfeits, knowing the peculiarities of its own dies, but they may entail great loss on an innocent public.

That the Government of the United States coins and makes legal tender a dollar of such inferior actual value that counterfeiters can use the required amount of silver and still make 100 per cent. profit on circulating the coins, is a fact that strongly condemns this part of our currency. Both the Government and the counterfeiters should find better employment than making dollars whose bullion value is worth but one-half of the face of the coin.

THE PRESIDENT IN HIS MESSAGE to Congress repeats the recommendation of the Comptroller of the Currency, that the banking law be amended to permit National banks to establish branches. The Comptroller suggests the restriction of branches to places having a population of less than one thousand, but the President merely says in small communities.

These qualifications are probably made to avoid the appearance of competition with State banks, but the main object of the establishment of branches would be defeated to a considerable extent by these restrictions. This object is to bring in new capital to places where the rates of interest are too high or where money can only be obtained through middlemen. If the rate of interest is to be generally reduced a wider competition than this must be allowed. To permit the establishment of branches only in places now destitute of banks would not relieve many localities where the existing banks have a practical monopoly.

Before Congress decides on this part of the Comptroller's recommendation, a list of all the cities, towns and villages and other places where a bank might be required should be drawn up, with the population of each as nearly as can be obtained, with the names of the existing banks, if any, in each place. This list can be readily made up from the BANKERS' DIRECTORY, which contains all the places in which banks are already located and also the names of many business localities which as yet have no banks, but where branches would probably be able to do a profitable business. Some additions might perhaps be made to the last-named class of localities.

It would be discovered from an examination of such a prepared list that there is much inequality in the distribution of existing banking capital. This inequality is the cause of the ready development of the natural resources of one section of the country, while natural resources of equal or superior value lie unexploited in another.

It would also be found that the criterion of population in places having no banks is not altogether a just one in deciding where branches of National banks are needed. And it is still more unjust to prevent their location in towns or villages or cities that already have banks. If there is any advantage in permitting branch banks, it consists in their capability of distributing capital, unused in one place, among other places where such capital is required.

The banks of the country to-day are intensely local. They are governed by local customs and traditions in the manner of loaning their money and in the rates of interest charged. Even if a bank borrows money from some other centre to loan at home, it uses it according to the existing customs in its own locality. If there are two or more competing banks in a place they arrange among themselves the terms of their competition, so that the public gets no benefit. That is, rates of interest may be very low in the eastern money centres and the banks in a western or southern town may have no difficulty in borrowing. They will not however be apt to borrow more than they can loan at the usual rate of interest charged in their locality. It is against their policy to lower the rate of interest. On the other hand the bank in the large money centre or elsewhere, where capital is plentiful and rates of interest low, no matter how eager it might be to do so, can not loan directly in the high interest sections. It must act through the solvent banks already established there. If it could establish an agency or branch of its own in those localities, it would at once be able to lower the interest rate prevailing there.

The effect of branches, if they are permitted to be freely established wherever there is a demand for capital, would be to equalize the interest rate throughout all parts of the country. Just as the

introduction of the uniform National bank currency abrogated at once the rates of domestic exchange prevailing when the currency was furnished by local State banks, the free establishment of branches would equalize the interest rate. A rate of ten or twelve per cent. in one section and of one or two per cent. in another would become a thing of the past.

The establishment of branches without restriction would also tend to equalize the circulation of money. It would probably put an end to the excessive accumulation of funds in the money centres at one time, and undue stringency at another.

But none of these effects would be experienced if branches are to be established in the homœopathic doses suggested in the Comptroller's report, being excluded from places where banks of any kind already exist and confined to places having less than one thousand inhabitants.

The reason of these suggested restrictions is not difficult to find. The establishment of branch banks means a new kind of competition, and bankers think there is enough of this already. The Comptroller desires to reduce this to a minimum. He would not let the contemplated branches interfere with the bank capital already established in any locality whether represented by a National, State or a private bank, and would confine the operation of foreign capital to places having no capital of their own. Perhaps he considers that, securing this slight foothold, the branch system will have a chance to make its advantages so evident that there will be less opposition to its ultimate extension. There is some plausibility in this view, but on the other hand a project intrinsically valuable often has its reputation ruined by a trial under adverse or cramped conditions. If National banks saw little advantage in establishing branches in new and untried localities where the conditions were all unknown, this would at once be assumed as an unanswerable argument against the branch system. It would be said that it was not suited to our own institutions, and would probably be altogether abandoned.

It is therefore worth while to consider what the objections would be to granting the unlimited privilege to National banks of establishing branches in any place they saw fit to use their surplus capital. The first objection would naturally come from the banks now existing in places where the rates of interest are high. They would perceive at once that the surplus capital of places where rates were low would at once come into competition with them. They would therefore, on the principle of letting well enough alone, oppose this innovation with all their power. But in doing this they would in reality be acting on a superficial view of the merits of the subject. Banks doing business in a locality where the rate of interest is too high, because they employ only as much capital as can be used without lowering this rate, are

in reality placing a check on the possible growth of the wealth and prosperity of the section they represent. With increased capital the business and industries of the surrounding population would thrive to a greater extent, and this in the end would increase the banking business, and the profits of all the banks. Moreover under present conditions many of these banks find use for all their capital during a portion of the time only. At some seasons of the year they keep large balances comparatively idle in the hands of their agents in the financial centres. In order to get high rates on a part of their capital for a part of the time, they have to take low rates on another part for the remainder of the year. There is no gain in this over taking a more moderate rate all the year around, which would be the result of the free competition of capital from all parts of the country which would take place in every locality if the unlimited establishment of branches by National banks were permitted. What would be apparently lost in one direction would be more than made good by the increased prosperity of the population using the banks.

Another objection would come from the banks other than National, because the National banks alone would enjoy the privilege of establishing branches. This would reveal at once the weakness of a State bank charter which can only grant power to do business within the State unless permitted to establish branches in other States by enabling Acts of those States. But as the national banking laws impose no bar to State banks entering the national system, if the privilege of establishing branches were found to be profitable any State or private bank could put itself on a par with the National banks by taking a Federal charter. The free branch system would thus tend to the homogeneity of the banks of the country. But even if these objections had any real validity, they should not be considered by Congress as of sufficient importance to defeat the free organization of branches by National banks.

The defect in the banking system for which the remedy of branches is proposed is that there are large sections of the country in which the natural resources are undeveloped because of the insufficiency of the capital at the disposal of the inhabitants. This insufficiency exists both where there are banks and where there are not. It is the benefit to be conferred on the people that is to be considered of prime importance. It has been also a cause of reproach to the banks that they can not as now organized supply capital to the extent needed at reasonable rates of interest. The branch system is advocated because it will benefit the country and at the same time lessen the unpopularity of the banks. The objections arising from the fear of competition are a part of the imperfection of the present system, and should not be suffered to stand in the way of improvement.

ANNOUNCEMENT.—The Fifty-fourth consecutive volume of the BANKERS' MAGAZINE begins with this issue. It has been thought proper to mark the event by a renewed effort to increase the value of the publication to the bankers of the country, who constitute the bulk of our patrons. This does not mean that the improvements in the contents of the MAGAZINE are to stop with the initial number of the year; on the contrary it is hoped to make each issue better than the one which preceded it.

The first of a series of articles treating of the great European banks is commenced in this number, and the series will be continued in several succeeding issues. As these papers have been prepared by European experts in banking and finance, and are to be especially illustrated, it is confidently expected that they will present the most concise and comprehensive outline history and analysis of the Banks of England, France and Germany ever published.

All of the special features that have achieved popularity in the past will be maintained, and several new and valuable ones will be added. The department devoted to the discussion of foreign banking and financial topics is a new feature that will prove of especial interest to American bankers.

The Department of Practical Banking has also been greatly improved by the addition of a number of State and National bank examiners, experienced bankers and expert accountants, to our regular staff of contributors. Bankers who may have new and tested forms of bookkeeping and improved methods of accounting as well as other safeguards and suggestions likely to be of service to their fellow bankers, are invited to furnish them for publication in this department.

Although the closing of the old year and the opening of the new have been marked by unpleasant developments in banking, in parts of the country, the MAGAZINE does not see any cause for alarm. Business conditions are in the main on a sound basis; the position of the country with reference to its foreign trade is exceptionally fortunate, and the Treasury situation, so far as the gold reserve is concerned, is more satisfactory than it has been for a long time.

The popular verdict of November, for which honor is due to the conservative States of the West and South, as well as the East, marked a distinct progress in the line of a sound currency, and this progress will go on until all the elements which are dangerous and a hindrance to prosperity will be removed from our financial system.

Aggressive work yet remains to be done in this direction, and it will be the aim of the BANKERS' MAGAZINE to continue to present the very best thought and the fullest information on the currency question, and to retain its position as the most practical and useful publication devoted especially to the banking interests.

CASH HOLDINGS OF THE BANKS.

In his recent annual report the Comptroller of the Currency has given the result of the inquiries sent out by him to all the banks and trust companies in the United States, requesting returns of the money and currency held by each on July 1, 1896.

The total number of banks to which the circular was sent was 12,962. Replies were received from 5,723 only, and the returns showed that these banks held money and currency amounting to $413,124,849. Of this $189,558,331 was gold and gold certificates, $8,254,612 silver dollars, $7,399,073 fractional silver, $39,663,596 silver certificates, $13,126,018 Treasury notes of 1890, $131,327,375 United States notes and currency certificates and National bank notes.

The returns made included 3,458 National banks and 2,265 State banks, and most of the larger banks were apparently included in these numbers, as the average cash per bank was $72,186.

To approximate the cash held by the remainder of the 12,962 which did not report the following method has been taken. Another statement given by the Comptroller of the Currency showing the resources of 9,456 banks for about the same date gives the total cash held at $512,341,963. This statement shows an increase of 3,733 banks over those sending in returns for July 1, and an increase of $99,217,114 in the cash held by 9,456 banks over that held by the 5,723. The 3,733 banks therefore appear to have held on an average $23,900 in cash as against the $72,186 average held by the 5,723 banks reporting for July 1. There still remain of the 12,962 banks in the country 3,506 not heard from at all, and the cash held by them will have to be estimated.

Inasmuch as the average cash of the 3,733 banks was but little over one-third of the average of the 5,723 banks, it seems fair to assume that the banks not reporting at all had as a rule a still smaller average, and although it is probably too large, this average cash held by each of the 3,506 non-reporting banks has been estimated at one-half of the average of the 3,733 group of banks, that is at $11,950.

On this estimate, and classifying the cash held on the basis of the percentage shown by the returns of the group of 5,723 banks that reported for July 1, the 12,902 banks of the country appear to have held cash classified as follows:

Gold coin and certificates	$254,008,163
Silver dollars	11,061,180
United States notes	175,978,682
National bank notes	31,886,617
Silver certificates	53,149,218
Treasury notes	17,588,864

The item of fractional silver has been omitted, as it is of comparatively little importance in the comparisons about to be instituted. The items given form as near an approximation as can be made, from the obtainable data, to

the character of the money and currency actually held in all the banks of the country on July 1, 1896.

The reports of the Treasury for the same date show the character of the money in circulation outside of the Treasury but including that in the banks to have been as follows:

Gold coin and certificates	$498,449,242
Silver dollars	52,175,998
United States notes	257,297,358
National bank notes	215,331,927
Silver certificates	331,259,509
Treasury notes	95,817,361

In order to arrive at the actual money in the hands of the people, whether hoarded or in circulation, it is only necessary to subtract the items held by the banks from those reported by the Treasury as in circulation outside the Treasury. This being done the result showing character and amount of cash in the hands of the people is as follows:

Gold coin and certificates	$244,441,179
Silver dollars	41,114,818
United States notes	81,318,676
National bank notes	183,445,310
Silver certificates	278,110,291
Treasury notes	77,728,497

The larger part of the gold certificates was held by the banks, in fact the amount of these certificates held by the banks exceeded the amount said to be in circulation by the Treasury statement. This is explained by the fact that the gold certificates held by the banks are made up of two kinds, those issued by the Government and those issued on behalf of clearing-house associations. The bulk of the gold in the hands of the people was therefore in the form of coin. As very little of it is usually seen in circulation in any part of the country, except in California and some of the mining States, it is probably much of it hoarded and only paid out on extraordinary occasions. Assuming this to be so it will be seen that the greater part of the work of ordinary payments made from day to day must be done by the silver certificates and National bank notes.

Of $331,259,509 silver certificates $278,110,291 were in the hands of the people, or about eighty-four per cent. Of $215,331,927 National bank notes the percentage in the hands of the people was about eighty-five per cent. The following table shows the degree of popular circulation of each form of money:

	Outside Treasury.	*In hands of people.*	*Percentage of amount outside Treasury in hands of people.*
Gold	$498,449,242	$244,441,179	49
Silver dollars	52,175,998	41,114,818	80
United States notes	257,297,358	81,318,676	31
National bank notes	215,331,927	183,445,310	85
Silver certificates	331,259,509	278,110,291	84
Treasury notes	95,817,361	77,728,497	81

The gold and legal-tender notes are held in the greatest proportion by the banks. They hold this class of money for reserves and pay out in preference silver dollars, silver certificates, Treasury and National bank notes. The following table shows the amounts held by the banks and in the hands of the people with the totals and the percentage of the total that each item forms:

	In banks.	*Percentage of total.*	*In hands of people.*	*Percentage of total.*
Gold	$254,008,163	47	$244,441,179	27
Silver dollars	11,061,180	2	41,114,818	4
United States notes	175,978,682	33	81,318,676	9
National bank notes	31,886,617	6	183,445,310	22
Silver certificates	53,149,218	9	278,110,291	30
Treasury notes	17,588,864	3	77,728,497	8
Total	$543,672,724	.....	$906,158,771	....

It will be observed that gold and legal-tender notes form about eighty per cent. of all the money held by the banks. This forms their reserve and is seldom disturbed. The remaining twenty per cent. is the fund from which most of the demands made on them are met. Every day about the same quantity is paid in as is paid out, and the reserves are only reduced when the demands for cash made on the bank happen to exceed the cash deposited. As gold is seldom used in ordinary transactions, the money used between the people and the banks is principally National bank notes and silver certificates, with a smaller amount of Treasury notes, legal-tenders and silver dollars.

It is also evident that the gold in the hands of the people forms a reserve, if it may be so called, which would be used in general circulation if it were not for the abundance of paper currency. If for instance the legal-tender notes were retired by the Government, how would it affect the situation as it stood on July 1, 1896. It would take $175,978,682 from the banks and $81,318,676 from the people, in all $257,297,358. The legal-tender notes would either be retired by an issue of bonds and these bonds might be sold for gold, or the Treasury might redeem the notes in gold. In either case the gold would take the place of the notes; there would be a greater tendency to circulate gold in ordinary cash payments, and the general stock of money would be rather increased than diminished by the transaction, as a part of the gold now hoarded would come into circulation. A retirement of the legal-tender notes would cause little if any contraction of the circulating medium in the hands of the people.

The Comptroller of the Currency in his investigation of the use of checks in the business of the country arrives at the general conclusion that eighty per cent. of the business of the country in which payments are made is carried on by the use of checks, the other twenty per cent. being settled by payments either in coin or currency. If the whole $906,158,771 of cash in the hands of the people were issued but once each day it would therefore represent twenty per cent. of the whole volume of receipts and payments. Adding the other eighty per cent of payments by check, and the whole daily volume of business would be $4,530,293,850. But of course all of this money is not used every day, while some of it is undoubtedly used many times over.

The clearings of the country might afford some test for estimating the

daily volume of business if all checks passed through the clearing-houses. But probably a very large proportion of the checks daily drawn do not reach the clearing-houses.

If the proportion that the whole volume of business bears to the clearings could be even approximately ascertained then it would not be a difficult matter to arrive very nearly at the amount of money actually required to perform it. The quantity of money would be that necessary to make payments and maintain reserves. By reserves are meant not only Government and bank reserves but the money that every dealer, business man and individual citizen thinks it necessary to keep for any occasion that may arise, expected or unexpected. These reserves play a very important part in determining the amount of money required. The habits of people differ greatly and investigation might show different amounts so laid aside in different countries. No data have ever been collected, as yet, to show the average amount of cash carried by the people in their personal possession from day to day or the average reserve which without any idea of hoarding each one maintains to meet the unexpected.

It is plain that there is no lack of currency to supply all who require it for use, but scientific results as to the amount of money required for a given volume of business have not yet been reached. There is nothing that confuses the investigation more than a form of currency that is not redeemed when used. Checks make the payments for which they are drawn and are then cancelled. Their amount can be accurately traced and determined. When determined the volume of business done by them is known. If the currency of the country were issued by the banks, under some plan giving elasticity of issue and retirement, the rise and fall of the volume of the notes would be an index of the volume of business that could be relied on. But with legal-tender notes and silver certificates it is almost impossible to tell whether their volume is redundant or deficient.

IMPROVED BANKING METHODS.—As compared to the total number of banks, the per cent. of those suffering from defalcation is really very small; but the number of such cases might be still further reduced by the general adoption of the precautionary methods in use in the best managed banks.

In some of the most recent cases of this kind the sums embezzled have been very large, and the peculations have extended over a long period without discovery. The Union National Bank, of New Orleans, was robbed of $612,000 by two individual bookkeepers, assisted by outside parties. Had not the failure of another bank led to a run, their stealings might have gone on indefinitely without discovery.

An expert who examined the books of this bank has been engaged by the BANKERS' MAGAZINE to prepare a description of the methods used in concealing the frauds, and also a full explanation of the devices adopted by the reorganized bank to prevent the recurrence of similar crimes.

Every bank owes it to its depositors and stockholders to adopt the very best system of bookkeeping and management, and though the entire prevention of defalcations is impossible, their frequency and extent may be greatly circumscribed by employing the proper safeguards.

PRACTICAL BANKING DEPARTMENT.

HELPFUL HINTS DERIVED FROM EXPERIENCE.

EARNINGS AND EXPENSES.

To the shareholders in a bank no accounts are of greater interest than those relating to its expenses and earnings, and one would expect to find those accounts the most carefully kept.

But how little, as a rule, can the bank officer tell you about the details of the expenses and earnings of the institution under his care. Ask him what the bank's expenses are per year for salaries, rent, interest paid, taxes or other items of expenses, and he can tell you nothing by a ready reference to the books, but in most cases is compelled to make up a statement after long and laborious search through the journal, or among the expense tickets themselves. It is the same with regard to the earnings, discount, interest, rents, exchange, etc.

Sec. 5136 of the National Bank Act commits the general conduct of the business of a bank to the board of directors and authorizes them to adopt by-laws regulating the manner in which its business shall be transacted.

One of the important duties of the board, in my judgment, is that of prescribing the form of books of account and records to be used by the bank and also the several heads or subdivisions of accounts under which the business shall be kept. It is especially important that account of the earnings and expenses should be kept in the most systematic and detailed manner, so that complete information on any point can be easily and quickly obtained from the ledger without reference to any other book or record.

Expenses should be kept in an itemized form on the ledger, under at least three titles, viz.: "Current Expenses," which may include rent, light, heat, printing, stationery, etc., and also salaries, though these should properly form a separate division; "Taxes," which may include taxes paid Federal, State, county and city governments on the business itself as well as those paid upon bank building or other real estate; "Interest Paid," which may include interest paid on deposits, bills payable, interest rebated, etc. "Other Expenses," as attorney fees, court costs, examiners' fees, and other items of an unusual or extraordinary character.

Earnings should be kept in itemized form under at least six heads, viz.: "Discount," which should include all profit taken at the time a discount is made; "Exchange," which should include all sums derived from this branch of the business, and which may include collection charges; "Interest," which should include all sums collected on loans as interest accruing after maturity, interest on United States bonds; "Rents," which may include rents received from bank building or other real estate; "Premiums"; "Other Earnings," which may include sums received from unusual sources, as on items charged off, etc. Other sub-heads or divisions of both expenses or earnings could be made as deemed expedient.

These several accounts of expenses and earnings should be under the direction of the board of directors, and no counter entries (except for correction of errors) should be permitted to be made except at stated periods, and then only upon the order of the board of directors made at a meeting of the board and recorded in the minutes of their proceedings. The ledgers should be of the balance-column form, all entries carefully itemized so that the directors or the examining committee may readily inspect the accounts, scrutinize each item, and easily prove the footings. Monthly, quarterly, or half-yearly meetings of the board of directors should be held at which the Cashier should be required to submit a written statement of the earnings and expenses for the period just expired. This statement should be examined by the board, compared with the books and if found correct and satisfactory filed and spread upon the minutes as approved. The Cashier should then be directed to make proper entries in the books to carry all earnings to "Profit and Loss Account"; to charge all expenses to profit and loss, and if there were losses to be charged off they should be described and the Cashier instructed to charge them to profit and loss. The same rule should prevail regarding dividends and additions to surplus. The balance remaining in profit and loss should be carried unchanged until the next period came around. It would seem that were these rules strictly adhered to the directors would possess a much better knowledge of the condition of the bank and be forced to take an active part in its management. The Cashier would also by this means have at stated periods, at least, the formal assent of the directors to his acts, and be relieved of a large part of the responsibility imposed upon him under the customary methods. It is to be understood that these suggestions are not intended to dispense with discount and examining committees and a careful and regular performance of the duties belonging to such committees. It is especially desirable that the rule of no counter entries in these accounts be allowed. A violation of the rule has been known to have afforded opportunity for false entries and false statement of profits whereby the directors have been induced to declare dividends entirely unjustified by the actual condition of the bank.

The forms given herewith are offered as suitable for carrying out some of the suggestions here made.

H. J. WHITMORE.

LINCOLN, Nebr.

FORM OF CASHIER'S SEMI-ANNUAL REPORT OF EARNINGS AND EXPENSES.

LINCOLN, Neb., Dec. 31, 1896.

To the Board of Directors of the Third National Bank of Lincoln, Nebr.

GENTLEMEN:—I beg to submit the following statement of the earnings and expenses of the Third National Bank of Lincoln, Nebr., for the six months ending Dec. 31, 1896, viz.:

Earnings.

Discount	$15,626.15	
Exchange	1,261.25	
Interest	3,258.80	
Rents	650.00	
Premiums	.....	
Other earnings	1,625.85	
Total earnings during period		$22,422.05
Balance in profit and loss account from last period		1,725.12
Total undivided profits		$24,147.17

Expenses.

Current expenses	$2,650.00	
Taxes paid	118.00	
Interest paid	355.25	
Other expenses	300.00	
Total expenses		$3,423.25
Net undivided profits		$20,723.92

I would recommend that instructions be given to carry earnings to undivided profit (P. & L.) account; that expenses be charged to said account and the following losses be charged off, viz.:

.....

.....

Respectfully submitted,

....., *Cashier.*

Form of Minutes of Directors' Proceedings at Semi-Annual Meeting on Report of Cashier on Earnings and Expenses.

The Cashier, Mr. ....., submitted a statement of the earnings and expenses of the bank for the six months ending ....., 189..., which was received, examined and upon motion approved and ordered spread upon the minutes of this meeting. Said statement is as follows, viz.:

.....

.....

On motion it was ordered that all earnings for the last six months be carried into profit and loss account, and that the expenses as shown by said report of the Cashier, aggregating the sum of $..... be charged to said profit and loss account.

It was further ordered that the following items be charged to the profit and loss account, as losses, viz.:

.....

.....

It was further ordered that $..... be transferred from profit and loss account to surplus, and that a dividend of ..... per cent. payable ..... be now declared, and the same charged to profit and loss account, and that the balance remaining in profit and loss account be so carried until the end of the next semi-annual period.

.....

A THREE-COLUMN BALANCE LEDGER.

The object of the three-column balance ledger is to show the exact balance of the account at every posting. The ruling is the same as that of an ordinary ledger with the balance column set in the middle of the page. Some bookkeepers prefer to carry the additions in an extra column to the left as shown in the form. Others think it better to make the additions in lead pencil in the posting columns. This is more a matter of taste than of any special importance. The balance column is run as follows: The balance is placed at the head of the column on the same line as the first posting. The next posting, whether debit or credit, is made on the following line, and the balance which results from this posting is made at once and in ink in the balance column on the same line as the posting. Each posting, as it comes, is made on its own line, and the balance resulting therefrom is made in the balance column on the same line. It should be observed that the balances

[SAMPLE—THREE COLUMN BALANCE LEDGER]

John Doe and Co.,

Date			Additions	Posting	Balance	Date			Additions	Posting
1897 Jan					10 000 00	1897 Jan	2	By Cash		10 000 00
	3			445 67	9 554 33					
	"			100 00	9 454 33					
	4			1 672 19	7 782 14					
					9 460 46		4			1 678 32
					9 727 64		"	Baxter		267 18
	5			900	8 827 64					
	6			434 61	8 393 03					
	"			1800 75	6 592 28					
					9 840 44		7		15 193 66	3 248 16
	7		5 769 40	416 18	9 424 26					
					10 940 50		8	Discount		1 516 24
	9			618 94	10 321 56					
	"		11 005 59	4617 25	5 704 31					
					6 130 48		9		17 136 07	426 17
	14	Balance		6 130 48						
				17 136 07						17 136 07
					6 130 48	Jan	14	Balance		6 130 48

are to be made in ink and at the same time as the posting. Overdrafts are entered in *red ink*. The balance column can be proved at any time by adding the posting columns as shown in the form. The balance column has several advantages. It shows the balance at a glance at any moment, it makes it more difficult to juggle the account, and the executive officer can tell by glancing down the column exactly how the customer's account has been running. A proof sheet can be taken off the ledger quickly and at any date.

Another way of ruling this ledger is to throw the balance column to the right of the page instead of the center. Some prefer to have two balance columns alongside of each other, one for credit and the other for debit balances. For the general ledger two columns would be necessary.

DISCOUNTS FOR TRANSIENT CUSTOMERS.

It often happens that a bank will discount a note for a party who is not a regular depositor. What is the best and simplest manner of crediting the proceeds so as to preserve a record of the transaction and, at the same time, avoid filling up the individual ledger with a number of accounts that will have only this one discount entry? An easy way is to open an account on the individual ledger with the heading "Transient Discounts." Credit the net proceeds of the note to this account and give the man for whom the note is made a Cashier's memorandum check for the net proceeds. The man can get this check cashed at once at the paying teller's window or he can deposit it in his own bank or get a draft on New York with it or he may, for that matter, take it away with him and use it when he sees fit. When the check comes back to the bank it is charged to "transient discounts." The account "transient discounts" will always show how many of these checks are outstanding and for what amounts and, when it happens that all the checks are in, the account "transient discounts" will balance. The account will also show a complete record of the amounts that have been done for transient customers. A couple of forms are shown herewith. The memorandum checks used for this purpose should be distinctively printed and bound in a separate book, the stub of each check showing the drawees name, date, amount and so on. It may be added that the extended entry of the note showing the calculation in full is made on the regular discount book the same as if it were done for a regular customer.

TRANSIENT DISCOUNTS.

1897.							1897.						
Jan.	2	1		$1	464	73	Jan.	2	1	J. M. Robinson.....	$1	464	73
	10	4		2	719	64		8	2	F. W. Merchant.....	1	641	15
	11	3			244	12		11	3	J. B. Jones.....		244	12
	11	2		1	641	15		11	4	J. W. Riggs.....	2	719	64
	9	5			469	17		9	5	A. G. Farmer.....		469	17
	10	6			964	73		10	6	F. W. Prince.....		964	73
	14	8		1	672	14		10	7	Brown Mfg. Co.....	4	261	73
	14	7		4	261	73		10	8	Hinds & Co.....	1	672	14
				$13	437	41					$13	437	41

Transient Discount Check.

No. 1. Jan 2, 1897. J. M. Robinson. $1464.73	CASHIER'S MEMORANDUM CHECK.	No. 1. GARDEN, Md., Jan. 2, 1897. HOME NATIONAL BANK OF GARDEN, MD. Pay to J. M. ROBINSON.....or order, Fourteen hundred and sixty-four $\frac{73}{100}$ dollars. $1464.$$\frac{73}{100}$. JOHN SMITH, *Cashier*.

FORM OF DAILY STATEMENTS.

On this interesting subject a National bank examiner writes as follows: "I have at hand the December number of the MAGAZINE in which you give a form for daily statement, which does not however appear to cover the ground sufficiently for all practical purposes, and I enclose a form which while it does not cover everything that we would like to see in daily statements still contains enough for general use. You will note that all items which enter into the calculation of legal reserve direct follow each other, thus making it convenient to calculate legal reserve daily in a few moments; and on the other side the items on which reserve is calculated also follow each other. No doubt the banks in the larger cities have these forms very complete but many country banks have very little method."

RESOURCES.		
Loans and discounts		$95,000.00
Overdrafts		750.50
United States bonds to secure circulation....per cent		12,500.00
United States bonds to secure deposits....per cent		10,000.00
United States bonds on hand....per cent		5,000.00
Premium on United States bonds		2,750.00
Stocks, securities and claims		14,000.75
Banking house	$8,000.00	
Furniture and fixtures	2,000.00	10,000.00
Other real estate and mortgages		7,500.25
Due from approved reserve agents, viz.:		
National Bank of Republic, New York		6,280.10
First National Bank, Chicago		4,500.00
N. W. National Bank, Minneapolis		12,000.00
Cash on hand		11,500.70
Exchanges for clearing house		975.00
Cash items		400.00
Due from other National banks		1,259.80
Due from State and private banks		801.10
Five per cent. redemption fund		562.50
Current expenses	$2,275.00	
Taxes paid	1,800.80	
Interest paid	1,471.50	5,547.30
Cash short		9.00
Total		$201,337.00

Legal reserve to-day 28⅓ per cent.

LIABILITIES.

Capital stock paid in		$50,000.00
Surplus fund		10,000.00
Other undivided profits, viz.:		
Discount	$1,121.10	
Exchange	110.80	
Interest	2,280.75	
Premiums	.....	
Rents	730.00	
Profit and loss	890.10	5,132.75
Due to approved reserve agents, viz.:		.....
Shoe and Leather National Bank, Boston		730.60
.....		.....
.....		.....
Due to other National banks		12,000.00
Due to State and private banks		3,101.50
Dividends unpaid		50.00
Individual deposits, viz.:		
Subject to check	$45,875.05	
Demand certificates	11.10	
Time certificates	42,000.00	
Certified checks	11,500.00	
Cashiers' checks	305.50	99,691.65
.....		.....
United States deposits		8,000.00
Deposits of United States disbursing officers		1,380.50
.....		.....
Circulation		11,250.00
Notes and bills rediscounted		.....
Bills payable		.....
Cash over		.....
Total		$201,337.00

DIFFERENCES IN EXCHANGES—AID FROM THE CLEARING-HOUSE.

It seems practicable to save much of the time now spent in looking for large differences in the exchanges by some method of tabulating such differences by the clearing-house.

There might be for instance a mimimum limit of one dollar fixed, all banks redeeming through the clearing-house being compelled to report at ten or before eleven A. M. any difference in excess of such limit in their exchanges of that date.

The clearing-house might then tabulate the differences and a copy of such table might be presented to each redeeming bank with their balances or receipts in the afternoon.

Any bank having a difference in their checks received similar to any difference in the table might then with a great probability of success look for their difference in that bank, and as above stated much time would be saved.

The expense of any such arrangement would probably be saved in supper money alone. L. N. R.

On the same subject another correspondent writes as follows:

"As to the matter of differences in the exchanges our clearing-house has the following rule:

'All errors and claims arising out of the exchanges must be adjusted directly between the banks and not through the clearing-house.'

The rule works this way. Between a quarter and half-past nine the runner gets back to the bank with the checks that he has received at the clearing-house from the other banks. The checks are carefully ticked off by the list which comes with each package; the additions are also proved. If any error is found it is reported directly through the telephone to the sending bank, and the clearing-house has nothing at all to do with it. If the amount is trifling the sending bank, say, is to fix it, and our teller makes out a charge ticket and puts this ticket through the work as if it were a regular check on that bank. If the error is against us the sending bank makes out a charge ticket the same way. If the error is a large one our runner stops past the sending bank and exhibits the list and points out the error. We settle with the clearing-house the same as if the list were right. Suppose, for example, a check is listed ten dollars too much. We telephone the sending bank and tell them we will charge them ten dollars through the exchanges next day. It is true that in our settlement with the clearing-house we are charged the ten dollars, but we get it back again by charging it directly to the sending bank. If we choose we can have the runner call at the sending bank and get the ten dollars the same day. In the same way if a check is not good our runner takes it to the sending bank before eleven o'clock and gets the money for it. This system lets the clearing-house entirely out of the business of correcting errors. We have the following additional proof of the correctness of the amount charged us through the clearing-house. After the teller has examined the signatures and endorsements the checks go to the individual bookkeepers who list them on their cash-books. The summation of the individual cash-books proves the correctness of the clearing-house amount. If there is a disagreement it is looked up then and there. It does not take very long to discover the most obscure error."

OUR BANKING SYSTEM.—The history of banking in this country shows the necessity for sound banking under modern conditions of the following requisities: Consolidation, practical or legal, of banking institutions; Government regulation and supervision, and uniformity of regulation. These qualifications our national banking system has, and it would be unwise to nullify their power by giving State banks greater opportunity for growth.

But there are serious defects in the national bank system. In the first place, it does not afford adequate banking facilities in agricultural communities. To remedy this defect the following reforms are advocated:

1. Provision for the establishment of branch banks. A small country village which could not put up the capital necessary to operate a separate bank might easily sustain a branch of a large city bank. A separate bank with smaller capital than now permitted would not be nearly so effective as a branch bank, for it would require a full equipment of officers and more capital than would be required for the branch. The branch would have the advantage, also, of actual identity of interests with the parent bank.

2. Introduction of the Scotch "cash credit" system or some similar safe plan to render borrowing easy to persons of small credit. This would greatly increase the usefulness of the system in the more backward sections of the country.

3. Either the abolition of the bond security system of issues or the extension of the limit to, say 125 per cent. of the par value of the bonds.—*Prof. Sidney Sherwood in "Review of Reviews."*

FOREIGN BANKING AND FINANCE.

The Charter of the Bank of France.

The bill extending the Charter of the Bank of France until the close of the year 1920, which was introduced in the French Chambers on October 31, has thus far had comparatively smooth sailing. The committee of twenty-two which was appointed on behalf of the various branches of the Chamber is unanimously in favor of the continuance of the existing banking system, although some of them desire amendments in the conditions governing the bank under the new charter. The only opposition to the extension of the charter came from the socialist deputies, none of whom were chosen on the committee. Fifteen of the committee favor the bill as it was introduced, and the demand for amendment appears to come rather from the conservatives than the radicals. M. Rouvier, one of the committee and the author of the bill presented several years ago, expresses the hope that the bank will apply the clause relative to the discount of agricultural paper with great prudence, in order not to tie up the resources of the bank for long periods. The committee made considerable progress at its first meeting. The proposal of the bill, for the payment to the State of one-eighth of the profits from the discount business, was amended so that the payments shall not fall below a fixed minimum. An amendment was adopted also, admitting a larger number of shareholders to the general assemblies of the bank. Under the present charter, small shareholders have no voice in the annual meetings, the voting power being limited to the two hundred shareholders with the largest holdings. A motion to limit the issue of notes to the amount of cash holdings was rejected. The committee seem disposed to accept the view laid down in the report of M. Cochery in submitting the bill to the Chambers, which contained the following:

"Between the existing system, perfected and complete, and that of a bank of State, our decision ought not to be doubtful. It has seemed to us that it would be a great imprudence to renounce the double guarantee which is afforded by an establishment independent in itself but placed under the supervision of the State, for the purpose of conferring on the State itself the privilege of issue and of the granting of credits, with all the responsibilities which would result from it. It is not only because the public administration would not have the necessary aptitude for weighing commercial credit and adapting the conditions of credit to the situation of the market, but especially because it would find itself assailed with demands and propositions of all sorts, tending to draw it away from the rules of prudence which a bank of issue should observe. Solicited to accord the support of its credit to private enterprises, exposed to the permanent temptation of covering deficits in the budget by new issues of notes, the State would run the risk of transforming the bank note by degrees into paper money and permitting to go abroad the metallic reserves which constitute one of the foundations of our credit and

national power. In spite of the guarantees which might be given that the State would not be in fact led to such extremities, the danger would none the less exist. We ought not to weigh for a moment a system involving such possibilities against one tested by nearly a century of prudent management and subjected to the most severe and difficult tests."

Two plans are under discussion regarding the extension of agricultural credit. One of them proposes that the bank admit agricultural paper to discount with two signatures, for three, six, nine and twelve months, and that the endorsement of a syndicate be considered equivalent to two signatures. The other plan, proposed by M. Rouvier, proposes the creation of a distinct establishment for giving agricultural credits longer than the usual commercial credits. It is proposed to confer upon this new establishment the 40,000,000 francs which the bank has agreed to advance without interest to the Government. This plan would have the advantage that, in case of the failure of the scheme, the bank would not be compromised.

The Use of Silver and Small Notes.

An interesting discussion took place at the last meeting of the Society of Political Economy of Paris, on November 5, on the question whether silver is preferable to bank notes of small denominations. The chief defender of small bank notes was Prof. N. C. Frederiksen, who declared that small notes were much more convenient than silver and had proved popular in the United States, Scandinavia and Canada. Silver, he maintained, was a bad reserve, whether in the hands of the public or the banks. It would be better to sell silver for the purpose of buying gold and to issue notes in its place. The mere permission granted by the Dutch Government to the Bank of Holland to sell silver, when the exchanges became unfavorable in 1882, effected an immediate restoration of confidence. Prof. Frederiksen referred to the unsuccessful efforts of Secretary Carlisle to force silver dollars into circulation in the United States, and combated the popular theory that small bills are dangerous during crises. He said that they were better kept in circulation and less frequently presented for redemption than the notes of large denominations. M. Raffalovich declared himself a partisan of small silver. He did not have much fear of counterfeiting, because of the difficulty of executing good counterfeits, and the dangers of putting them in circulation without detection. He found silver much more convenient than paper upon his last visit to Russia, and thought that it was better that the subsidiary money should possess half the intrinsic value it represented rather than none at all. M. Homberg did not regard the fact that small notes remained long in circulation as a recommendation. He believed that security against counterfeiting as well as the regulation of the volume of circulation depended upon the frequent return of the notes to the bank of issue. M. Mercet, in discussing the new project for the Charter of the Bank of France, expressed fears of the results of the large issues of small notes. The proposed increase of the limit of circulation to 5,000,000,000 francs he feared would result in the saturation of the circulating medium of the country, and that this danger would be increased by the issue of a large volume of small notes. One of the speakers suggested that the power of issuing small notes should be held in reserve as long as possible by any national bank which had not already used it, in order to form an available resource in a time of national or economic crisis.

Currency Reform in Austria-Hungary.

The Governments of Austria-Hungary are proceeding with the retirement of Government paper money and the strengthening of the gold standard in a manner which affords an instructive example to the United States. The Vienna correspondent of the "London Economist," in the issue of December 5, gives the following summary of proposed legislation:

"The experts of the Austrian and Hungarian finance departments have held a series of conferences in which the text of the new currency laws has been arranged. Preliminary arrangements were made between the Finance Ministers in the summer. There are at present four bills that will be laid before the Austrian Reichstrath and the Hungarian Reichstag. The first arranges for the withdrawal of the State notes still in circulation, amounting to 112 million florins. For the redeeming of this amount the old proportion will be maintained, and Austria's share will be 78.4 million florins, Hungary's, 33.6 millions, both amounts to be deposited in gold with the bank, which will give the Governments partly silver and partly bank notes in exchange. The notes of the State will be replaced by eighty million florins in notes of ten crowns each, and by thirty-two million florins in silver coins, worth five crowns each. Another bill provides for the coining of these five-crown silver pieces, a third bill makes arrangements for the printing of the ten-crown notes, and a fourth deals with the necessary changes in the currency and standard treaty between Austria and Hungary, necessitated by the currency reform."

Co-operative Associations in Germany.

The rapid growth of co-operative banking and trading associations in Germany from 1895 to 1896 is set forth in an interesting manner in the October number of *La Revue des Banques*. The whole number of the Schultze-Delitsch associations increased from 11,141 in 1895 to 13,005 on May 31, 1896. The popular banks increased from 6,417 to 8,069; the remaining increase was in other forms of co-operative societies. The number of the banking associations in 1889 was only 2,929, and in 1892, 4,401. Accounts have been received for the operations of the year 1895 from only 1,068 of these banks, with 525,748 members. They show credits granted to the amount of 1,659,705,785 marks ($400,000,000), a capital and reserve of 163,484,900 marks, and deposits of 467,127,041 marks. *La Revue des Banques*, in discussing these figures, declares that they demonstrate how great are the savings of the working classes and how important is the capital which is constituted by these savings. It is predicted that in the course of another century these co-operative banks will dispose of resources which will be enormous.

The Finances of Turkey.

M. Alfred Neymarck, a financier of high authority in Europe, suggests, in his own paper, *Le Rentier*, of November 27, 1896, that Turkish finances shall be taken in charge by an international commission such as that which controls the finances of Egypt. The history of this successful experiment in modern finance, which is not very widely known in the United States, is set forth by M. Neymarck as an object lesson for the powers in dealing with Turkey. Egypt was, in 1876, in a deplorable financial condition, staggering under the weight of heavy taxation, while a large portion of the taxes was dissipated by corrupt administration instead of going to meet the public obli-

gations. A high officer of the English Treasury was sent to Egypt after the Government bought the Suez Canal shares of the Khedive, who recommended the unification of the debt, and the management of both the collection and disbursement of public funds by a board of control with English subordinates. The Khedive objected to this form of control, but accepted that of an international board, which energetically carried out the reforms recommended by the English official. The credit of the country was restored, its obligations were met, the funds which had fallen to thirty-seven per cent. were raised to par, and taxation was simplified and lightened. The large holdings of Turkish obligations in France, including the shares of the Imperial Ottoman Bank, and their quotation on the international exchanges, make it of great importance that something should be done to prevent the defalcation of interest and ensure their restoration to par. M. Neymarck suggests that an international commission of the Ottoman debt be established, composed of a representative from France, England, Germany, Russia, Austria and Italy, and possibly of Belgium and Holland. This commission would be charged with the investigation of Turkish finances, the unification of the debt, and the control of future collections, disbursements and loans. M. Neymarck regards such a solution of the problem as the only one which will do justice to all holders of Turkish securities and prevent manipulation by speculators and particular financial institutions.

The Crisis in Portugal.

Portugal has been subjected during the past few months to a severe crisis in exchange, which has recalled the panic of 1891. Gold has risen to a high premium, largely on account of the crisis in Brazil and the diminution of exports from Portuguese colonies, which would have placed gold at the command of the Lisbon market. The high price of gold bills, intensified by the monetary stringency in England, France and Germany, threatened to increase the burdens of the Treasury in the payment of interest on the debt held abroad and to cause grave perturbation to commerce. The Governor of the Bank of Portugal assembled the managers of the banks and the leading private bankers of Lisbon and secured an agreement that exchange on London should not be sold above 39⅝ and should not be bought below 39½. This agreement was to have continued until March 31, but it resulted in such a pressure upon the banks that they were obliged to suspend it. The agreement was in effect only about ten days and the bankers furnished £300,000 sterling in exchange, but the Treasury and the flour mills were able to make provision for their immediate wants, the latter for the purchase of foreign grain, and comparative calm fell upon the market when the banks were left free to buy and sell at their own terms. This fact strengthened the impression that the scarcity of bills of exchange was availed of by bullion dealers for speculative purposes. M. Georges Bourgarel, in discussing the results of the crisis in *l'Economiste Europeen* of November 28, says that the problem of agricultural and industrial exports has been considered with greater attention and that the public understand that its solution constitutes the correct means of alleviating the evils which affect the economic and financial situation. New markets are being sought for wines in the African colonies and in Brazil by sending special agents to those countries, similar efforts are being made to push the sale of olive oil, and the processes of extraction of the oil are being modified in order to permit competition with the oils of Italy.

The Spanish War Loan.

The prompt response of the Spanish people to the call for subscriptions for a popular loan of 400,000,000 pesetas has greatly strengthened the confidence of the Spanish Ministry in the resources of the country, although it has not had a marked effect in raising the rate of exchange of Spanish paper. Exchange with other countries is at a premium, which indicates a discount of 25 per cent. from the gold value of Spanish obligations. The new loan, which would be valued at about $80,000,000 if exchange were at par, is actually worth only about $60,000,000 in gold. The Spanish Government made several applications to foreign bankers before appealing to a popular subscription, and the feeling in Spain over the success of the loan and against "the usurers beyond the Pyrenees" is much like that in certain portions of the United States against "foreign syndicates." The Rothschilds, however, subscribed for 5,000,000 pesetas of the new loan and various Madrid brokers probably had other foreign orders. The total subscriptions were 594,000,000 pesetas, of which Madrid alone subscribed 305,489,000 pesetas. The apportionment was made upon the basis of awarding the full amount to those who subscribed for less than six shares. Subscribers for six shares received five, and those for more than six two-thirds of their subscription. The subscriptions were payable in installments, but the first payments brought 91 per cent. of the entire amount into the Treasury. An evidence that the savings of the Spanish people are greater than has been supposed is found in the fact that the advances at the Bank of Spain were only 70,000,000 pesetas ($14,000,000 at the gold parity) higher than usual. It is proposed to strengthen and readjust the finances of the Government with the proceeds of the loan, as well as to provide for military operations in Cuba. It was reported early in December that 150,000,000 pesetas would be devoted to reimbursement of the advances made by the Bank of Spain to the Treasury of Cuba; 100,000,000 pesetas to the redemption of Cuban bonds; 50,000,000 pesetas to the repayment of advances made by the Bank of Paris; 31,000,000 pesetas to the repayment of advances made by the Tobacco Company; and 20,000,000 pesetas to the payment of the cost of transport of the troops. If these plans are carried out, they will relieve the Bank of Spain from much embarrassment, add to the value of its circulating notes, and tend to raise the rates of exchange.

Banking and Financial Notes.

—Negotiations between the Governments of Austria-Hungary and the officials of the Austro-Hungarian Bank, regarding the renewal of the charter, which expires on December 31, 1897, are still going on. The Government is demanding a greater power of intervention in the affairs of the bank than the officials are disposed to grant. The bank does not wish to separate the two boards of directors at Vienna and Buda-Pesth to such a degree as to prevent unity of action in important matters. It also insists upon the right to fix the rate of discount without reference to the Government. It is probable that an agreement will be reached between the finance ministers of the two governments and the bank after a few more conferences.

—The demand for money and the reduction of the metallic reserves of the Swiss banks make it probable that they will shortly advance the discount rates to five per cent.

—Mr. Sprenger van Eyk, the Minister of Finance of Holland, in reply to an interrogatory during November, regarding the attitude of the Government towards international bimetallism, made the following statement to the Chambers: "The Government has already, on the occasion of the budget of 1895, expressed its readiness, as have preceding ministries, to do all which could be expected from it to contribute to the success of an international conference which should have for its object an agreement upon the subject of bimetallism. It seems to us impossible to give more efficient testimony of the interest which the monetary question inspires. Efforts which were inopportune on the part of the Government, in view of the object which it desires to see attained—that is, an international agreement upon an extended scale—would be useless and might easily do harm rather than good."

—The three banks of issue in Italy are making arrangements to found an institution, with a capital of 50,000,000 lire ($10,000,000), for assuming the locked-up assets which have come to them from the Roman bank as well as from their own operations. The capital of the new institution will be contributed, 30,000,000 lire by the Bank of Italy, 12,000,000 lire by the Bank of Naples, and 8,000,000 lire by the Bank of Sicily.

—Some criticism is being directed against the Bank of Belgium because of the disproportion between its liabilities and metallic reserve. The bank lost 3,800,000 francs in one week recently, while its circulation increased 16,900,000 francs. This reduced the proportion of cash to about twenty-one per cent. of the circulation. There was a gain in the metallic reserve during the week following this heavy loss and no serious alarm seems to have been excited. The discount rate of the bank has stood for some time at 3 p. c. C. A. C.

FINANCIAL PANIC IN JAPAN.—W. R. Townsend, the special agent recently sent to Japan by the San Francisco Bureau of Foreign Commerce to collect data with reference to matters affecting the interests of American manufacturers, has submitted his report. He says that in the last two months there has been a panic in Japanese financial circles, but the worst is now over. After the war with China speculation was rampant. Thousands of stock companies were floated and shares boomed. Everybody invested, but the collapse soon came. The native banks have shut down indiscriminately of late and merchants have received no accommodation. Heavy stocks of merchandise were thus thrown back on the market and warehouses are crowded.

Over 70 per cent. of the import business of Japan is controlled by foreign houses, a loss of 3 per cent. within three years. Little credit is allowed by importers. Freights from England and Continental Europe are lower than from America, consequently the bulk of the business is done with English, French and German houses. While there is a temporary stringency in the money market, there is no disposition to handicap industrial progress. The Railway Congress, which opened on December 14, will probably remain in session for two months. Already a hundred applications for charters for new railroads have been filed, and it is said that over forty will be granted. In the first week in December contracts were made for eighteen American locomotives. Heretofore English rolling stock has been used exclusively. Americans will shortly receive the privilege of filing applications for trade marks and patents, although little protection is promised in regard to the latter.

THE BANK OF ENGLAND.

ITS HISTORY, CONSTITUTION AND PRESENT MANAGEMENT.

With illustrations from photographs taken expressly for the BANKERS' MAGAZINE.

THE BANK'S HISTORY.

While the Bank of England may to some extent be regarded as the natural outcome of the important commercial and financial position attained by England in the nineteenth century, the immediate and precise causes connected with its establishment were of a somewhat different nature and reflecting against rather than in favor of British financial prestige.

A system of banking had of course existed in Great Britian for many years prior to the establishment of the National Bank in 1694; the business being carried on for the most part by men who were known as goldsmiths. Of such undoubted character and wealth were many of these men that immense sums in all were intrusted to their keeping by the British public, the usual rate of interest received being about six per cent. The greater part of these moneys deposited with the goldsmiths it became in time the general practice to advance to the crown at rates of interest higher than those originally paid to the public.

For years this plan worked well enough until during the reign of the Stuart monarch, Charles II., the English people learned by bitter experience the penalty of putting their "trust in Princes." The event of many years previously when Charles I. seized the money of private individuals, deposited in the mint—then at the Tower of London—was well-nigh forgotten, and the goldsmiths, content with exacting high rates from the Government of Charles II., were apparently not greatly anxious as to the security of the principal. Hume the historian relates, however, that in the year 1672 when the Court was in dire straits for money "the King had declared that the staff of Treasurer was ready for anyone who could find an expedient for supplying the present necessities. Shaftesbury dropped a hint to Clifford, which the latter immediately seized and carried to the King who granted him the promised reward together with a peerage. This expedient was the shutting up of the Exchequer and the retaining of all the payments which should be made into it."

As the result of this measure, which was so suddenly taken that practically no warning of the danger was given, confusion and panic prevailed; the goldsmiths, who had placed practically the whole of their funds with the Crown, were ruined and as a natural result their clients with them. A general outcry followed; but although the storm of indignation was such that the King was ultimately compelled to make a compromise by allowing six per cent. to the creditors, the actual principal (some three millions odd) was never repaid.

The blow thus given to the credit of the State was such that for many years it was difficult for succeeding monarchs to raise from their subjects any other moneys than were compulsory under the current laws of taxation. Such

THE BANK OF ENGLAND.

was the position in 1694 when the Bank of England was first founded. In that year the Government of William III. was greatly in want of funds to carry on the war with France, and the question of raising a large loan became a pressing necessity. At first, however, there appeared to be little hope of its being obtained. The faith of the people had been too rudely shaken twenty years previously for them to again readily entrust their "savings" to the Government.

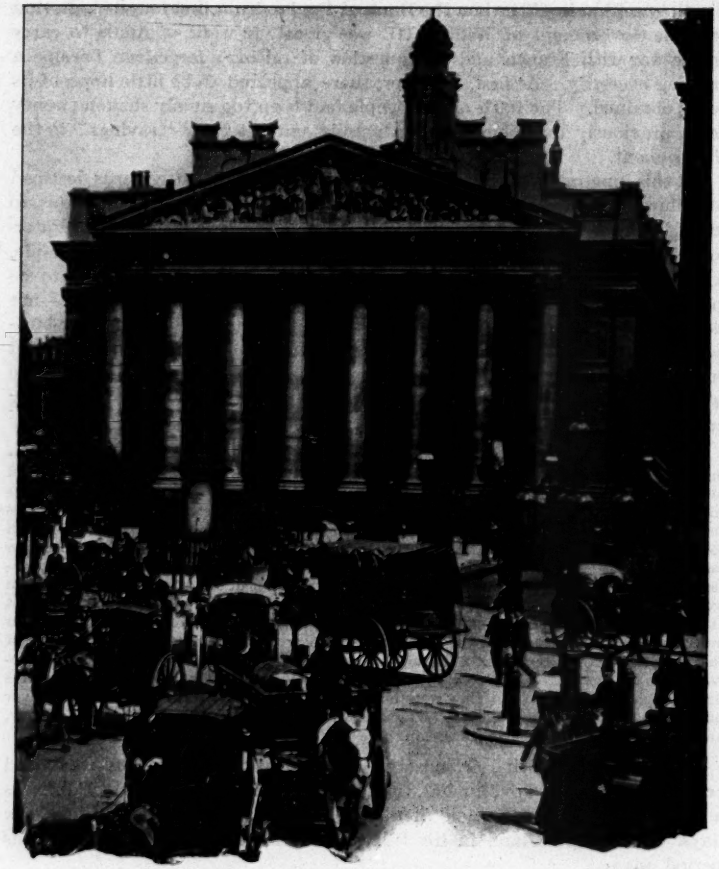
At this juncture Wm. Paterson, a shrewd Scotchman—afterwards destined to failure in the Great Darien expedition—mooted the scheme which was to result in the establishment of the Bank of England. Briefly expressed, Paterson's plan was to apply to the business of banking the joint-stock principle. A company was to be formed and out of the capital raised a loan was to be made to the Government. After much opposition from many quarters—not least from the goldsmiths who probably feared the destruction of their business—the scheme for the establishment of such a company was approved, and on July 27 the Bank of England was incorporated by Royal Charter. Here is a brief analysis of this original Charter as recorded in Gilbart's "History and Principles of Banking:"

"The Act of Parliament by which the Bank was established is entitled, 'An Act for granting to their Majesties several duties upon tonnage of ships and vessels and upon beer, ale and other liquors; for securing certain recompenses and advantages in the said Act mentioned to such persons as shall voluntarily advance the sum of fifteen hundred thousand pounds towards carrying on the war with France.' After a variety of enactments relative to the duties upon tonnages of ships and vessels, and upon beer, ale and other liquors, the Act authorizes the raising of £1,200,000 by voluntary subscription, the subscribers to be formed into a corporation and be styled 'The Governor and Company of the Bank of England.' The corporation were to lend their whole capital to the Government, for which they were to receive interest at the rate of eight per cent. per annum and £4,000 for management; being £100,000 per annum on the whole. The corporation were not allowed to borrow or owe more than the amount of their capital, and if they did so the individual members became liable to the creditors in proportion to the amount of their stock. The corporation were not to trade in any 'goods, wares or merchandise whatever, but they were allowed to deal in bills of exchange, gold or silver bullion, and to sell any goods, wines or merchandise upon which they had advanced money, and which had not been redeemed within three months after the time agreed upon.'"

Notwithstanding the circumstance already alluded to of the weakened credit of the British Government, the scheme for the flotation of the Bank was a complete success, the whole of the subscription being made within a few days. As George Clare, in his "Money Market Primer," writing of this period, says:

"At this conjuncture however, the strong religious and political convictions of a part of the community came to the help of the country. In the city of London there were many wealthy men—dissenters mostly—who were willing rather than see the land once more delivered into bondage to place their whole fortunes at stake. It was proposed to raise £1,200,000 by public subscription and to lend the whole of it to the Government at eight per cent interest, the lenders to be incorporated by Royal Charter and to have power to *issue notes* on Government security to the extent of the sum lent. The idea of putting all their eggs into one basket was probably not quite relished by intending subscribers, but the capital was nevertheless soon raised. In those days good investments were after all a rarity, and the new undertaking, backed up as it was by the guarantee of a Government that seemed honestly bent on paying its way and supported by the best-known merchants of the City of London, appealed with success to the sentiments and to the pockets of capitalists, and by its happy combination of patriotism with eight per cent. gratified at once their love of country, their love of gain, and their hatred of tyranny and Popery."

It may be noted in passing that not only was this loan to the public of £1,200,000 the foundation of the Bank of England, but it was also practically the commencement of England's national debt.



ROYAL EXCHANGE, LONDON.

Opposite Bank of England, Threadneedle Street.

A few of the more important clauses of the original Charter of the Bank have their place here, and it is interesting to note that many of these points still remain the essentials of the present Constitution of the Bank. Among other items the Charter of July, 1694, provided:

"That the management and government of the corporation be committed to the Governor, Deputy Governor and twenty-four directors, who shall be elected between March 25 and April 25 of each year, from among the members of the company duly qualified.

That no dividend shall at any time be made by the said Governor and Company, save only out of the interest, profit or produce arising out of the said capital, stock or fund, or by such dealing as is allowed by Act of Parliament.

They must be natural born subjects of England or naturalized subjects; they shall have in their own name and for their own use severally, viz., the Governor at least £4,000, the Deputy Governor £3,000, and each director £2,000 of the capital stock of the said corporation.

That thirteen or more of the said Governors or directors shall constitute a court of directors for the management of the affairs of the company, and for the appointment of all agents and servants which may be necessary, paying them such salaries as they may consider reasonable."

Opposition to the Bank of England.

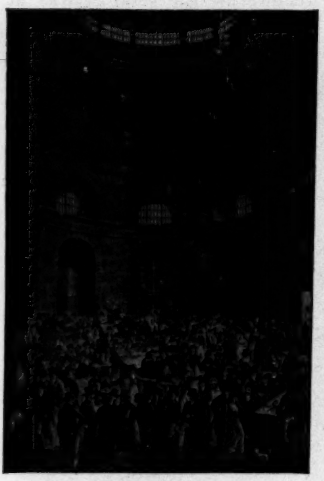
Mention has already been made of the fact that the scheme for the foundation of the Bank of England did not pass into law without a considerable amount of opposition, an opposition which was renewed again and again at successive periods when the time for the renewal of the Charter was at hand. From the day of its foundation to the present date no institution has probably been made the subject of more severe and even hostile criticism than has the Bank of England, and it may on the whole be said that not only has the Bank borne the ordeal well but at times has even thrived upon it. At no time in its history, perhaps, has this criticism and opposition had a more beneficial effect than was probably produced at the very commencement of its career. As we have already seen the scheme for the foundation of the Bank excited considerable natural opposition on the part of the goldsmiths

HALL OF THE BANK.

who feared loss of both business and prestige, but the opposition was by no means confined to them alone. Francis's history of the Bank tells us that it appears from a pamphlet published by Mr. Godfrey, the first Deputy Governor, that "Some pretend to dislike the banl only for fear it should disappoint their majesties of the supplies proposed to be raised." That "all the several companies of oppressors are strangely alarmed and exclaim at the Bank and seem to be joined in a confederacy against it." That "others pretend the bank will join with the Prince to make him absolute." "That the concern had too good a bargain and that it would be prejudicial to trade." Another writer of that period, according to Francis, says, "Some prophetic

politicians intimate their apprehensions that an institution of this kind would soon become a mere creature of Government; that on any sudden emergency, or even general panic, the Bank might be unable to answer the demands of its creditors; and that the future of the National bank must be attended with national ruin."

Looking back as one is able to do now upon the two hundred years of the Bank's existence, remembering the occasions when time after time the Bank of England has proved to be the very right hand of the British Government, and remembering, also, the many important periods of crisis in British finance when the Bank has been literally the saviour of the situation, these many arguments against its foundation are fraught with peculiar interest. But however extraordinary such opposition may now seem it can not by any means be regretted. There is no doubt that from the very first it served as a stimulus to those who were to initiate and guide its management. Openly expressed fears that the Bank's existence would prove a short and disastrous one doubtless stimulated the management to proceed with exceptional caution, and to establish the business of the company upon the soundest basis. All the hostility and scepticism heaped upon the new enterprise by the scheming and the ignorant alike resolved itself as it were into a challenge against the future of the Bank, a challenge which the directors accepted and gallantly maintained.



ROTUNDA OF THE BANK.

The First Premises and Renewed Opposition.

Acting doubtless in this spirit of business caution the directors of the Bank of England made a comparatively humble start so far as their first premises were concerned. No trace of the present magnificent structure (of which an illustration, prepared especially for the Bankers' Magazine, is presented in this number) was to be found in the offices of the seventeenth century when the Bank was founded. First in Mercer's Hall which was occupied but a few months, and afterwards in Grocer's Hall (since razed to the ground) the Bank of England commenced its operations, which were conducted entirely in one room, directors, principals and clerks alike all sharing the same apartment, which is described by an essayist at that date as presenting "an animated scene of orderly activity." We shall refer later when speaking of the present condition of the Bank to the staff employed and the salaries paid. The following details taken from Francis's "History of the Bank of England" are interesting, as showing the total number of employees and salaries paid during the first year of the Bank's existence:

	Clerks.	Salary.
Secretary's office	3	£390
Accountants	11	1,120
Cash book	9	910
Discount office	3	250
Exchequer	2	160
Tellers	25	1,330
For silver, etc	1	180
	54	£4,340

It will be seen from the foregoing that even the high officials of the Bank could have received nothing very extraordinary in the way of salary, and as a matter of fact the largest amount received by the principal of any of the departments appears at that time not to have exceeded £250 per annum. The Bank therefore did not err on the side of extravagance at the commencement of its history.

The effect of the new Bank was evident within a short time from its commencement, and as affording an evidence of this it may be mentioned that within a few months of its establishment, rates of discount on foreign bills fell to a point considerably under the usurious rates to which the community had long been accustomed. Its effect as a powerful aid to the Government was also quickly experienced in the increased vigor with which the war with France was carried on. At the beginning of 1694 Government bills were at a discount of twenty-five to thirty per cent. The Bank, however, took these bills at par with the result that ere long the discount upon them actually gave way to a premium. Successes thus achieved, however, so far from quieting opposition merely directed it into fresh channels. The Bank of England had been essentially a Whig project, and when the importance of the undertaking was fully recognized organized attempts were made by the Tory party to establish a rival institution.

THE DIVIDEND OFFICE.

Some of the details connected with this rival scheme are worthy of notice here, illustrating as they do the bitterness of the controversy which raged around the Bank of England in its earliest years. Moreover, although in after years the renewal of the Bank charter frequently met with much opposition, the particulars about to be recorded apparently afford the only instance when any noteworthy attempt was really made to actually found a rival establishment.

Improving upon the idea of the Bank of England's original capital of £1,200,000, the Tory party in 1696 resolved to establish a much larger bank with about double the capital of the Bank of England. Such capital was to be

advanced to the Government in a manner similar to that by the Bank already started, but its notes and so on were to be advanced entirely on the security of land at three per cent. Hence the new institution was to be called the "Land Bank." In spite of much natural opposition from the Bank of England—which was certainly entitled to consider the project as an infringement of its own Charter—the temptation of securing a new loan was too great for the Government of that day and the project was sanctioned by an official Act. But it was one thing to pass an Act of Parliament and quite another to find the necessary capital. It would seem either that the faith of the public in the new scheme or in the originators of it was of the smallest, for although the subscription list was headed with £5,000 on behalf of the King, the total of other subscriptions only just exceeded £2,000. The project was thus doomed to early failure.

Some idea of the bitterness which entered into the discussion between these two rival institutions is to be found in the pamphlets of that period. Francis, in his "Bank History," gives the following from one of them, which we reproduce here. While the humor is obvious, the ill feeling towards the Bank of England is yet more apparent. The tract or pamphlet was headed: "The Trial and Condemnation of the Land Bank at Exeter Change for Murdering the Bank of England at Grocer's Hall."

At this trial, a will is supposed to be produced reading as follows:

"Know all our creditors by these presents, that we, the Governor and Company of the Bank of England, being weak in body, through the wounds received from the Land Bank at Exeter Change, to whom we lay our death, but of as good sense as ever we were, finding ourselves impaired in our credit and reputation, and despairing of recovery, do make our Last Will and Testament. 1st. We bequeath our soul to the devil, in order to serve the publick out of our creditors' money: and as to the qualities of our mind, we dispose of them as follows, namely, all our skill in foreign exchanges, and our probity and candour in making up the accounts of the loss thereof, we give to all and every of our directors, except four or five, jointly and severally to hold to them, and to their successors, as heirlooms and indelible monuments of their skill and probity for ever. All our obstinacy and blunders we give unto our present Governor, upon trust, that he shall employ one equal part thereof, as one of the Lords of the Admiralty, and the other part thereof as Governor of the Bank of England. All our oaths, impudence, &c., we give unto our present Deputy Governor and our dear Sir Henry Furnese, to hold in joint partnership during their lives, and the survivor to have the whole. All our shuffling tricks we give to our dear Sir William Gore. All our cynicalness and self-conceit we give to our directors, Sir John Ward, and Sir Gilbert Heathcote, equally to be divided betwixt them, share and share alike, as tenants in common. All our blindness and fear we give unto our dear Obadiah Sedgwick—and we also give him £5 in money, to buy him a new cloth coat, a new half beaver hat, a second hand periwig and an old black sword, to solicit with in the lobby, and also to buy him a pair of spectacles to write letters to Lords with. As to the residue of our temporal estate, (besides the said £5,) we dispose thereof as followeth: Imprimis—We devise to our own members (when they shall have paid in their whole £100 per cent.) our fund of £100,000 per annum charged and chargeable, nevertheless, with the sum of £1,200,000 for which it stands mortgaged, by Bank bills, in full satisfaction of all their great expectations from the probity and skill of our directors, advising them to accept a redemption thereof by Parliament whenever they can have it. Item—All our ready moneys, before any of our debts are paid, we give to our executors, hereinafter named, in trust, that they shall, from time to time, until 1st August, 1696, lend the same into the Exchequer upon condition to defeat the establishment of the Land Bank; and from and after the said 1st August, then to lend out the same into the said Exchequer upon security of premises to establish our executors the next session, instead of the Land Bank and for such other premiums as our said executors can give to themselves for doing thereof. And we do direct our said executors to continue to stock and pensions already allowed to our past friends—they know where. And after all our ready money so disposed, we leave the residue of our effects for payment of bills and notes, at such days and hours, and in such manner and proportion, and with such preferences, as our executors shall think fit. And we do hereby constitute our directors executors of this our will giving each of them power, out of our cash, to discount their own tallies, bills

and notes at par, and the bills and notes of other of our creditors at the highest discount they can get for the same. And our body we commit to be burned, with all privacy lest our creditors arrest our corpse. In witness whereof we have hereunto set our common seal 4th May, 1696."

To this effusion was appended the following supposed epitaph:

"Here lies the body of the Bank of England, who was born in the year 1694, died May 5, 1696, in the third year of its age. They had issue legitimate by their common seal 1,200,000 called Bank Bills, and by their Cashier two million sons of —— called Speed's notes."

Such is a specimen of the coarse and vulgar nature of the attacks upon the Bank in the seventeenth century, attacks which from all impartial histories appear never to have been based upon even the barest substratum of truth and to which the career of the Bank has from year to year given the most effective reply.

In 1697—three years after its establishment—we find difficulties surround-

THE LOTHBURY COURT.

ing the Bank, difficulties which arose partly from the scheme of the Land Bank and still more from the recoinage of the silver. Into the first matter it is not necessary to enter here. While the recoinage was proceeding money became very scarce. Moreover the Bank was placed in this predicament. The old coins had been diminished by clipping and filing—many of the shillings it is stated contained only threepence in silver—and counterfeit coins had also been clipped and filed. This clipped money had been taken in by the Bank at full value and the natural consequence was that when the notes came in there was not sufficient cash to meet them. Announcement had therefore to be made that cash would only be paid in instalments of ten per cent. once a fortnight and afterwards three per cent. once in three months. To further meet the evil, calls of capital to the extent of twenty per cent. were made on the proprietary with the result that the first crisis in the Bank's history was successfully passed.

The Act of 1708.

One of the next landmarks in the Bank's history is the Act of 1708, by which it was made unlawful for any association of more than six partners to

carry on any banking business in England and Wales. The effect of this Act was to give the Bank of England a practical monopoly in joint-stock banking, a monopoly which it may be mentioned in passing, lasted for more than a century. While there is no doubt that the effect of this Act was greatly to restrain the progress of joint-stock banking in the country, it is perhaps a circumstance not wholly to be regretted at that stage of financial affairs in the country. It is certainly worth recording that although for more than a century the Bank enjoyed this exclusive monopoly, the privilege never appears to have been in any way abused—a statement which can be made in the case of few other monopolies.

In the year 1709, which was one of much financial stress to the British Government, fresh terms were entered into with the Bank of which the most important points were the reduction of interest upon the original £1,200,000 advanced to the Government from eight to six per cent., with an annual allowance of £4,000 for managing the national debt. The Bank was also allowed to increase its capital to over £4,000,000 and its Charter was renewed until the year 1733—a period which a few years later was, in recognition of the services of the Bank, extended to 1742.

The Year of the South Sea Bubble.

It has been stated on a previous page that the number of concerns introduced to actually rival the Bank of England have been few in number. Among them must be named the famous or rather infamous South Sea Co., which in the year 1720 was the means of producing one of the severest financial panics in England of which we have authentic account. With the details of the South Sea Bubble we are not now concerned. We have merely to note that not only did the Bank of England stand clear of all the reckless speculations entered into at that period, but during the height of the panic we learn that when credit on every side was failing and trade and commerce were well-nigh at a standstill, the Bank of England was described as the "one hope of the Nation," and the directors were persuaded, at the instance of Sir Robt. Walpole, to come forward and render assistance, which in one form and another was promptly done. Thus early in the Bank's history we find that the money market, which in times of calm was always ready to offer criticism upon the Bank, was only too glad to turn to it in times of need. Instances of such applications for assistance from the period of the South Sea Bubble in 1720 down to the Baring crisis of 1890 have been too numerous to be stated here. A few of the more noteworthy instances to be given later must suffice.

Removal to Larger Premises.

Prior to the year 1852, the court of directors had carried on their business in the hall of the Grocers' Company. Commencing their career as we have seen in an unostentatious manner a high position had been gained. With fifty-four assistants, whose duties and salaries we have already alluded to, the business of the Bank had prospered to such an extent that enlarged premises were absolutely necessary. Francis, in his history of the Bank, says:

"On January 20, 1732, it was unanimously resolved to erect a hall and office in Threadneedle Street; and the site chosen for the new edifice was that of the house and garden of Sir John Houblon, first Governor of the Bank. The structure was contracted for by Dunn & Townshend, eminent builders of the day, after designs by Mr. George Sampson. On Thurs-

day, August 3, at one o'clock in the afternoon, the new building was commenced; a stone, on which the names of the directors were placed, being made the foundation for one of the pillars. Twenty guineas were presented to the workmen for distribution; and on June 5, 1734, business was commenced in that edifice, the present importance of which is unparalleled in the history of monetary establishments. Notwithstanding the sagacity of those who governed its concerns, it may reasonably be questioned whether they imagined the time would ever arrive when its buildings would occupy three acres; when the movements of its Governors, in the words of the historiographer of London, would influence the whole body of the public, its offices expel a church from its site, and emulate the palaces of emperors; when their determination, according to Richard Cobden, would affect all the markets in the world; and the representatives of commerce in the East and the pioneers of trade and civilization in the West, watch earnestly and anxiously the proceedings of the directors of the Bank of England. 'I happened to be travelling in Turkey and Greece, in the spring of 1837,' said this gentleman, in his evidence on Banks of Issue, 'and I saw in the little island of Syra, the Greek merchants there, with their telescopes in their hands, looking out anxiously for the arrival of a vessel from Trieste, giving an account of the proceedings of the Bank of England, as a merchant on the exchange at Manchester would watch for the arrival of the mail to know what the next step to be taken by the Bank directors would be; and we know that in the message of the President of the United States in 1837 and in the addresses of some of the Governors of the States, New York in particular, the Bank of England was not only mentioned by name, but a considerable space given to the discussion of its policy.'"

Renewal of the Charter in 1742.

It is not necessary in completing this brief sketch of the Bank's history to relate the events surrounding each renewal of its Charter. Suffice it to say that from the date mentioned above down to the famous Act of 1844, of which we shall have to speak in detail later, the periods for the renewal of the Bank Charter were always (notwithstanding the growing recognition of the Bank's services to the State) made the occasions for driving a bargain with the Bank, and for renewed opposition from some section or other of the business community jealous of the Bank's privileges. In the year 1742, for example, a condition for the renewal of the Charter for twenty-two years was that the Bank should lend to the Government free of interest the sum of £1,600,000, a demand which was agreed to. By this Act of 1742 it may also be noted that the law made death the penalty for any persons forging, counterfeiting or altering any bank note, bill of exchange, dividend, warrant or any bond or obligation under the Bank seal. The numbers destined to pay this death penalty in later years was appallingly large.

A Narrow Escape for the Bank.

One of the penalties necessarily entailed by the growth of the Bank, and its importance to the State, was that in any periods of civil disorder it became a prominent and likely institution to be attacked by mob violence. Some recognition of this possibility, it will be seen from our illustration of the exterior of the Bank, is to be found in the enormous strength of the structure which in some respects may even be said to resemble a fort.

That the Bank was not destroyed at the time of the Gordon riots in 1772 may be said to be due more to chance than to anything else. As a matter of fact the riot from the very first was so badly organized by its leaders that the importance of an attack upon the Bank does not appear to have occurred to the rioters until almost at the close of the riots, and by that time the directors had been enabled to take such precautions that the feeble attack then attempted was easily repelled. The attack was made almost immediately after the burning of Newgate; but before the arrival of the rioters at the Bank the military had been summoned and were in readiness outside the

walls of the establishment. A strong force including the officers of the Bank were also mustered inside, "old inkstands had been even cast into bullets, and an additional force was placed upon the roof to open fire upon the assailants." Such determined action was not lost upon the rioters whose attack proved a feeble and almost bloodless affair.

Ever since the danger then escaped by the Bank, a military force has slept within its walls. They enter the building about sunset and retire some time prior to the opening of the doors in the morning. A dinner is provided for the officer in charge.

Suspension of Specie Payments in 1797.

The reason for the suspension of specie payments by the Bank in the year 1797 may be briefly summed up in the statement that the directors at that period had two courses open to them, either to merely regard the interests of the proprietors whom they represented or to boldly acknowledge a still wider responsibility and loyally support the credit of the Government of that day, whose demands for monetary accommodation pressed severely upon the Bank. The latter course was adopted and whatever the Bank may have temporarily lost in prestige, owing to the suspension of specie payments which followed, was more than compensated for ultimately by the intimate relation which it was felt had been established between the State and the central banking institution.

It must not be supposed, however, that the loans advanced immediately prior to the suspension of specie payment were either recklessly made or lightly regarded. On the contrary the correspondence of that period between the officials of the Bank and the statesman, Wm. Pitt, testify to continued remonstrances from the Bank at the manner in which it was being crippled through the repeated demands made upon it by the Government. Here, for example, is the copy of an extract from communications between the Bank and the Government in July, 1796. In a letter from Mr. Pitt to the Governor of the Bank request is made for an advance of £800,000 on the consolidated fund, with the announcement that he will be compelled also to request a further advance of £800,000 on the same security in the following month. That the directors of the Bank perceived the gravity of the situation may be seen from the following memorial drawn up by them in reply to Mr. Pitt's letter:

"The Court of Directors of the Bank of England, fully sensible of the alarming and dangerous situation of the public credit of this Kingdom, and deeply impressed by the communication made to them by the Right Honorable William Pitt, are very willing and desirous to do everything in their power to support the national credit; but in complying with the request made them by the Right Honorable William Pitt, they think they should be wanting in their duty to their proprietors, and to the public, if that compliance was not accompanied with the following most serious and solemn remonstrance, which, for the justification of their court, they desire may be laid before his Majesty's cabinet: 'They beg leave to declare, that nothing could induce them, under the present circumstances, to comply with the demand now made upon them, but from the dread that their refusal might be productive of a greater evil; and nothing but the extreme pressure and exigency of the case can in any shape justify them for acceding to the measure; and they apprehend that, in so doing, they render themselves totally incapable of granting any further assistance to Government during the remainder of this year; and unable even to make the usual advances on the land and malt for the ensuing year, should those bills be passed before Christmas. They likewise consent to this measure in a firm reliance that the repeated promises so frequently made to them, that the advances on the Treasury bills should be completely done away, may be actually fulfilled at the next meeting of Parliament and the necessary arrangements taken to prevent the same

from ever happening again, as they conceive it to be an unconstitutional mode of raising money, what they are not warranted by their charter to consent to, and an advance always extremely inconvenient to themselves.'"

The evening of Saturday, February 24, 1797, says Francis in his "History of the Bank of England," was a gloomy period for most of the merchants and traders of London.

"More than all must the directors of the Bank have felt their important and responsible position. They had seen during the week a heavy demand made on their diminished cash. They had marked their small stock of bullion decreasing day after day. They had witnessed and participated in the dismay which preyed upon the people. They knew that the demand would continue unless some method could be adopted to check it; and they felt that the period had arrived when, for the first time in their history, they must altogether cease payment of their notes; for the first time since 1697 they must fail in meeting the demands of their creditors. On the following day, Sunday, a cabinet council was held at Whitehall; and it is said that the only occasion in which the monarch violated the Sabbath was this great one. He attended the council at this important crisis; and the presence of royalty gave a high sanction to the proceedings. Immediately after the meeting the members of the Government, met the Governor, Deputy Governor, Mr. Thornton and Mr. Bosanquet in Downing Street, to inform them of the result of their deliberation, when the following resolution was communicated:"

At the Council Chamber, Whitehall, February 26, 1797, by the Lords of his Majesty's most honorable Privy Council:

"Upon the representation of the Chancellor of the Exchequer, stating that, from the result of the information which he has received, and the enquiries which it has been his duty to make, respecting the effect of the unusual demands for specie that have been made upon the Metropolis, in consequence of ill-founded or exaggerated alarms in different parts of the country, it appears, that unless some measure is immediately taken there may be reason to apprehend a want of sufficient supply of cash to answer the exigencies of the public service, that the directors of the Bank of England should forbear issuing any cash in payment, until the sense of Parliament can be taken on that subject, and the proper measures adopted thereupon for maintaining the means of circulation, and supporting the public and commercial credit of the Kingdom at this important conjuncture; and it is ordered that a copy of this minute be transmitted to the directors of the Bank of England; and they are hereby required, on the grounds of the exigency of the case, to conform thereto, until the sense of Parliament can be taken as aforesaid."

Great as was the excitement following the suspension of gold payments, the panic which followed was not so disastrous as might have been looked for and so far from the Bank suffering any lasting shock to its credit the reverse was before long experienced, for two things were made very apparent. The first was that payment would never have been suspended but for the loyal support given to the State, while an examination of the management of the Bank brought out in a very striking manner the real soundness of its position and the prudence and sagacity of its management. There is little doubt that a resumption of specie payments could have been made at a comparatively early date, but the Government, who by this time appear to have become alive to the immense importance of the Bank, passed a series of bills known as the "Restriction of Payments" Acts by which the return to full specie payments was successively deferred until 1821.

Peel's Currency Bill.

The famous Act known as Peel's Currency Bill, passed in the year 1819, is another noted landmark in the Bank of England's history. By this Act it was provided that the Bank shall from February 1 to October 1, 1820, deliver on demand gold of standard fineness, not less than sixty ounces in exchange for bank notes at £4 1s. per ounce. From October 1, 1820, to October 1, 1821, the same plan to be adopted, but gold to be at the rate of

£3 19s. 6d. per ounce. From May 1, 1821, to May 1, 1823, the mint price of gold of £3 17s. 10½d. per ounce to be the rate with the adoption of the same plan, and from May 1, 1823, the notes to be paid in the gold coin of the Empire if required. The Bank however of its own will returned to full specie payment at an earlier date.

The Financial Panic of 1825.

The precise causes leading up to the panic of 1825 must always remain a matter on which the opinion of finanial authorities differ considerably. All, however, are agreed in determining that the wholesale circulation of £1 notes by private bankers had much to do with it. The circulation by these means became redundant and prices of securities and commodities alike began to rise. In the year 1822 also a reduction had been accomplished in the rate of interest on a portion of the national debt and this fact alone possibly did something to stimulate the feverish rush which commenced for securities paying high rates of interest. From the nature and details of the mad speculations of the years 1823–25 it might almost seem that our modern species of company promoters and swindlers were then first generated. Certainly the schemes devised and the methods then employed are such as in modern times have hardly been improved (?) upon. Into the details of the speculation we need not enter here, being merely concerned with the part played at that period by the Bank of England. Projects innumerable were put forth to attract money from a guileless public, one, for example, it is stated, being the promotion of a company "to drain the Red Sea and recover the jewels left by the Egyptians in their passage after the Israelites." Besides such a scheme as that, "Deep Level" mining and other projects of the present day pale into commonplace affairs. In the crash which followed bank after bank in the country broke down. Prominent financial houses in London had to bend before the storm and that national bankruptcy must have followed but for the aid received from the Bank of England is shown by the testimony of men of that time. Some idea of the assistance afforded by the Bank may be gathered from the fact that during the height of the crisis the discounts of the establishment arose within a few weeks from five to fifteen millions sterling.

The Bank's Monopoly Surrendered.

In the year 1826 the Bank was practically compelled to relinquish its monopoly of joint-stock banking in the country. An Act of that year contained the following provisions:

1. Banks of an unlimited number of partners may be formed and carry on all descriptions of banking business by issuing notes and bills payable on demand, or otherwise, provided that such corporations or partnerships should not have any house of business or establishment as bankers in London, or at any place within sixty-five miles of London; and that each member of such corporation should be liable for all its debts of every description contracted while he was a partner, or which fell due after he became a partner.

2. No such banking company was to issue or re-issue, either directly or indirectly, within the prescribed distance, any bill or note payable to bearer on demand; or any bank post-bill; nor draw upon its London agents any bill of exchange payable on demand; or for any less sum than £50; but they may draw any bill for any sum of £50 or upwards payable in London or elsewhere, at any period after date or after sight.

3. Such banking companies are forbidden by themselves or their agents to borrow, owe or take up in London, or at any place within sixty-five miles of London, any sums of money or any of their bills or notes payable on demand; or at any time less than six months from

the borrowing therof; but they may discount in London or elsewhere any bill or bills of exchange, not drawn by or upon themselves or by or upon any person on their behalf.

4. The Bank of England was authorized to establish branches at any place in England.

5. The rights and privileges of the Bank of England were to remain intact and unaltered except so far as varied by the Act.

Thus it will be seen that the bank still retained its former rights within a radius of sixty-five miles from the Metropolis. At the time the Act was passed there is no doubt that in its spirit the directors of the Bank were certainly led to believe that no joint-stock bank should be allowed to open within that radius. Very soon after the bill had become law, however, it was decided that the letter of the Act permitted joint-stock banking in London provided such banks did not contract a note issue, and although strong remonstrances were made by the Bank of England directors the London, Westminster and other banks were speedily formed. The privileges of note issue within sixty-five miles from London it may be stated here is among the few provisions of the Bank Charter retained to the present day.

THE LAST BANK CHARTER.

A reference to the last occasion on which the renewal of the Bank Charter was discussed, must suffice to close our brief history of the Bank, while an examination of the Act of 1844 will also lead us at once to a consideration of the Bank as at present constituted, no really important enactment by law affecting it having been made since that date.

With regard to the renewal of the Charter, the important feature was that instead of the renewal being for a fixed period it was made for an indefinite time, provision being made that after 1855 the Charter shall be terminable at any time upon a notice of twelve months. This provision, at first demurred to by the directors of the Bank, was ultimately accepted and the sum of £120,000 was arranged to be paid annually by the Bank to the public, such amount to be deducted from the sum allowed by the Government to the Bank for the management of the national debt.

A. W. K.

LONDON, January, 1897.

[The succeeding paper on the Bank of England, to be published in the February number of the BANKERS' MAGAZINE, will deal with the administration of the affairs of the Bank under the Bank Act of 1844, which marked a new epoch in British banking. The actual workings of both the Issue and Banking departments will be described at length, and the weekly statements fully analyzed. This will be of especial interest, showing as it does the practical operations of this great Bank under existing laws.

Other notable features of the concluding paper will be the relations of the Bank to the money market, and the means used to influence interest rates and to prevent the undue exportation of gold.

A description of the interior of the Bank will be given, and many valuable details as to its mangement and *personnel*.

A sketch of the present Governor of the Bank, and a portrait from a recent photograph, will also be presented in the February number.]

*THE COMPTROLLERS OF THE CURRENCY.

BIOGRAPHICAL SKETCHES OF ALL THE CHIEF SUPERVISING OFFICERS OF THE NATIONAL BANKING SYSTEM.

As a supplement to the steel-plate portraits of the Comptrollers of the Currency, heretofore sent to all subscribers to the BANKERS' MAGAZINE, the following brief biographical sketches of the several Comptrollers will be found of interest.

HUGH McCULLOCH.

Appointed May 9, 1863.

HUGH MCCULLOCH, the first Comptroller of the Currency, was born in Kennebunk, Me., December 7, 1808. His father was one of the large ship owners of New England who were ruined, or nearly ruined, by the War of 1812, and one of the first lessons that the son had to learn was that for whatever headway he made in the world he must depend on himself. His father was, however, able to pay the expenses of his preparatory education and of a little more than one year's study in Bowdoin College.

Leaving college in his sophomore year, he taught school for a couple of years, and having in this way earned and saved a few hundred dollars, he commenced to study law in Kennebunk. He completed his legal course in Boston, and in 1833 went west.

In June, 1833, he arrived in Fort Wayne, Indiana, which was then one of the few civilized points in a magnificent wilderness. Here he made his home until 1863.

In the autumn of 1835 he organized and became the Cashier and managing officer of the Fort Wayne branch of the State Bank of Indiana. The next year he became a director of the bank. He continued in these offices until the expiration of its charter in 1857.

In 1855 a new bank was chartered, and Mr. McCulloch became its President. Both banks were sound and solvent from their organization.

In May, 1863, Mr. McCulloch was appointed Comptroller of the Currency by President Lincoln, at the request of Secretary Chase. He was, from his banking experience, familiar with the field of action, but in accepting the office he had to make considerable pecuniary sacrifice.

He organized the office of the Comptroller of the Currency, but in permitting the establishment of new National banks he exhibited extreme conservatism. His reports for 1863 and 1864 show that he deprecated a too rapid growth of the system, by repressing the organization of new National banks, his policy being to encourage the conversion of the existing State banks into national associations. He recommended the amendments of the law of 1863,

*NOTE.—A brief history of the organization of the Bureau of the Comptroller of the Currency, and of its practical workings, will be given in the next number of the MAGAZINE.

made in 1864, by which pressure was brought on the State banks to secure their conversion.

In March, 1865, he was appointed Secretary of the Treasury. His attempt to retire the legal-tender notes, with a view to the early resumption of specie payments, was the striking feature of his administration. He at first received the support of Congress in this policy. But a great change in public opinion forced him to relinquish it. He retired from the Treasury, March 4, 1869, when General Grant became President. From 1870 to 1880 he was the head of a banking house doing business in New York and London. In 1880 he retired from business and lived thereafter on a farm in Maryland, near Washington, only once emerging from his retirement to resume for a brief period, at the reqnest of President Arthur, the office of Secretary of the Treasury. His death occurred May 24, 1895, near Washington, D. C.

FREEMAN CLARK.

Appointed March 21, 1864.

FREEMAN CLARK was born in Troy, N. Y., March 22, 1809, and commenced active life as a merchant. In 1837 he was elected Cashier of the Bank of Orleans at Albion, N. Y.

In 1845 Mr. Clark removed to Rochester and became President of the Rochester Bank, and Treasurer of the Monroe County Savings Bank, and later President of the Monroe County Bank. He also held the office of Treasurer and Director of the Rochester, Lockport and Niagara Falls Railroad; President and Treasurer of the Rochester and Genesee Valley Railroad Co.; Director of the Mobile and Ohio Railroad Co.; Treasurer and director of the Home Telegraph Co. and was a director of the Western Union Telegraph Co. He was also one of the first directors of the Fourth National Bank of the City of New York and also a trustee and subsequently Vice-President of the Union Trust Co. of New York city.

In addition to his extensive business connections Mr. Clark took an active part in political affairs. He was Vice-President of the Whig State Convention in 1850, and acted as President, and was a delegate to the Whig National Convention in 1852. He was Vice-President of the first Republican Convention in New York State in 1854. In 1856 he was a presidential elector and in 1862 was elected as a Representative from New York to the Thirty-eighth Congress, serving on the committees on Manufactures and Invalid Pensions.

Mr. McCulloch having been appointed Secretary of the Treasury, there was a vacancy in the Comptroller's office, and Mr. Clark was appointed to the position by President Lincoln, March 21, 1864.

At the end of his term as Comptroller Mr. Clark returned to New York State, where he continued to take a prominent part in political affairs. In 1867 he was elected to the New York State Constitutional Convention, and in 1870 he was elected a Representative to the Forty-second Congress and served on the Committee on Appropriations. In 1872 he was re-elected to the Forty-third Congress and was a member of the committee on Foreign Affairs.

His death occurred at Rochester, N. Y., June 24, 1887.

HILAND R. HULBURD.

Appointed July 24, 1866.

HILAND R. HULBURD was born in 1828 or 1829, at Worthington, near Columbus, Ohio. His father was the Reverend Hiland Hulburd, a Presbyterian clergyman of note.

Mr. Hulburd graduated at an early age from the Western Reserve College at Hudson, Ohio. He married the youngest daughter of Moses B. Corwin, of Urbana, Ohio, the latter being for many years a member of Congress, and brother of Thomas Corwin.

Mr. Hulburd studied law in the office of Anthony Howard Dunlevy, of Lebanon, Ohio, and was admitted to the bar. In 1855 he was appointed Registrar of the Bank Department of the State of Ohio. In 1865 he became Deputy Comptroller under Hugh McCulloch, and in 1866 was appointed Comptroller to succeed Freeman Clark, and continued in office until 1872. From 1872 until the date of his death he spent most of his time in New York city. During the last years of his life he was connected with the oil interests of Pennsylvania, having his office at 35 and 37 Broad street.

He lost his life in a notable marine disaster—the burning of the steamer Seawanhaka on Long Island Sound, June 28, 1880.

JOHN JAY KNOX.

Appointed April 24, 1872.

JOHN JAY KNOX, by reason of the length of his service in the Bureau, and the conspicuous ability which marked his administration of the affairs of the office, will always occupy a most prominent place among the distinguished occupants of the office. He served as Comptroller or Deputy continuously for a period of seventeen years.

Mr. Knox was born at Knoxboro, New York, March 19, 1828. He graduated at Hamilton College with the class of 1849.

His first practical knowledge of banking was obtained in the Bank of Vernon, N. Y., of which his father was President for more than twenty years. He afterwards assisted in organizing banks at Syracuse and Binghamton, under the free banking law of New York, thus becoming familiar with the theory and practice of that excellent law which was destined to be so largely embodied in the National Bank Act of later years.

In 1857, associated with his brother, Henry M. Knox, who afterwards became Public Examiner of Minnesota, he established a private bank at St. Paul, which they conducted for six years.

Mr. Knox came into prominence by his contributions to the financial discussion preceding the establishment of the national banking system, his papers on this subject having attracted the favorable attention of Secretary Chase. He thus early defined the essentials of paper currency to be: first, safety; second, elasticity; third, convertibility, and fourth, uniformity.

Mr. Knox began his service in the financial department of the Government as a clerk under Treasurer Spinner, but was soon transferred to the office of Secretary Chase as a disbursing clerk. He held this position for three years,

and then went to Norfolk, Va., to become Cashier of the Exchange National Bank, but the climate of the South did not agree with him and he returned to Washington and was placed in charge of the Mint and Coinage correspondence of the Treasury. In 1866 he was sent to San Francisco to make an examination of the branch Mint in that city and performed his work so well that his report was included in the Annual Report of the Secretary of the Treasury for that year, and was favorably adverted to by Secretary McCulloch. The same year (1866) Mr. Knox examined the Mint at New Orleans and discovered a defalcation of $1,100,000 in the office of the Assistant Treasurer of the United States. While at New Orleans Mr. Knox acted for some time as Assistant Treasurer. He was appointed Deputy Comptroller by Secretary McCulloch in 1867, and in 1872 was appointed Comptroller by President Grant, and was twice reappointed.

It has been alleged that the so-called secret demonetization of silver in 1873 was due to the work of Mr. Knox. But a careful investigation will show that there was no secret about it. In consequence of his relation to the Mint service Mr. Knox prepared a bill codifying the Mint and Coinage laws, and on April 25, 1870, Secretary Boutwell submitted the bill to Congress. The reports accompanying the bill (there were two of these reports, one containing more than one hundred pages), were printed by order of Congress. The first report gave the reason for the discontinuance of the coinage of the silver dollar. It was fully discussed, and the paragraphs in the report covering this point were printed with headlines in capital letters.

As Comptroller Mr. Knox displayed great ability. His contributions to the literature of finance, embodied in his reports, in his numerous papers published in RHODES' JOURNAL, and in his public addresses, form a most valuable compendium of banking in this country.

Mr. Knox resigned his office on May 1, 1884, to become President of the National Bank of the Republic, New York, continuing in that position until his death, which occurred at his home in New York, February 9, 1892.

Among the well-known works by Mr. Knox are his "History of Banking in the United States," printed in RHODES' JOURNAL OF BANKING, and soon to be published in book form, and his "United States Notes."

HENRY W. CANNON.

Appointed May 12, 1884.

HENRY W. CANNON, who was appointed Comptroller on the resignation of Mr. Knox, was born at Delhi, N. Y., in 1850. After being educated at the schools in the vicinity of his birth, he became a clerk, and later was a teller in the First National Bank, of Delhi. In 1870 he accepted a position with the Second National Bank, of St. Paul, Minn., and the following year removed to Stillwater, in the same State, where he organized the Lumbermen's National Bank, of which he was Cashier and managing officer for thirteen years. While connected with the bank he was also identified with many other important business enterprises, being Secretary of the Chamber of Commerce, and Secretary, Treasurer and General Manager of the Gas and Water companies, whose affairs were prosperous and well managed.

Mr. Cannon, while engaged in banking in Minnesota, purchased and ex-

changed large amounts of Government bonds for his bank and others of that State, during the refunding operations of the Government, and also negotiated the sale of large amounts of bonds for the city of St. Paul.

Early in his term as Comptroller a panic was experienced by the banks of New York and several other cities, the situation requiring great care and discreet administration of the affairs of the Comptroller's office. These requirements were met by Mr. Cannon in a manner that enhanced his reputation as a financier. During his term the charters of nine hundred and seventy-one National banks, having a capital of more than $270,000,000, expired, most of them being renewed. His conduct of the affairs of the Bureau, and his views on the currency, were in accord with the high standard of his immediate predecessor.

Though urged by the President and Secretary of the Treasury to continue in office, he resigned February 1, 1886, to accept the position of Vice-President of the National Bank of the Republic, of New York. After serving in this capacity for several years he secured a large interest in the Chase National Bank, of which he is President. The success of the bank under his management has been remarkable, the volume of business showing continued gains.

President Harrison appointed Mr. Cannon as one of the representatives of the United States at the last International Monetary Conference, held at Berlin, for the purpose of considering means for the promotion of an international agreement in regard to the enlarged use of silver as money. He has also served upon the U. S. Assay Commission on various occasions, and is the author of a number of valuable pamphlets on monetary subjects. Mr. Cannon has frequently addressed organizations of bankers and various commercial bodies upon financial topics. In the panic of 1893, and in subsequent financial flurries, he has done important work as a member of the New York Clearing-House Committee in aiding the banks to allay excitement and uphold credit. Mr. Cannon is at present chairman of the above commmittee.

WILLIAM L. TRENHOLM.

Appointed April 20, 1886.

WILLIAM LEE TRENHOLM, the sixth Comptroller of the Currency, was born in Charleston, S. C., February 3, 1836, and is the son of Geo. A. Trenholm, Secretary of the Treasury of the Southern Confederacy.

He was educated at the South Carolina College, and at once engaged in mercantile pursuits, becoming a partner in the commercial house of John Fraser & Co., of Charleston. Later he entered the firm of Trenholm Bros. & Co., of New York, and Fraser, Trenholm & Co., Liverpool, England, residing in that country for two years during his connection with the latter firm.

When the Civil War broke out, Mr. Trenholm entered the Confederate army and served throughout the war in the South Carolina State troops.

At the close of the war Mr. Trenholm again engaged in business at Charleston. He was on two occasions elected to public office on issues involving local commercial interests.

Mr. Trenholm early took ground against the Government purchases of silver and in favor of improving and popularizing the national banking

system. His views on these subjects were presented so clearly and so ably as to attract public attention.

In November, 1885, Mr. Trenholm was appointed a Civil Service Commissioner, filling that office satisfactorily until his appointment as Comptroller of the Currency. The period embraced in his term of office was one of moderate prosperity to the banks and the country. One of the points that engaged the attention of the Comptroller at this time was the rapid payment of the public debt and the consequent decrease of security for National bank circulation. On August 12, 1886, the Comptroller held as security for circulation of National banks $103,351,650 of three per cent bonds, out of a total of $127,470,200 of such bonds outstanding. All these bonds were called for redemption before July 1, 1887, at an average rate of between nine and ten million dollars a month. The withdrawal of these bonds as a basis of circulation and the substitution of others bearing a higher rate of interest was a proceeding which required great tact, and Mr. Trenholm's administration of the office at this trying time did much to maintain the financial equilibrium.

Since his retirement from office Mr. Trenholm has been President of the American Surety Company, in New York, one of the leading surety companies of the country, having total capital and resources aggregating over $5,000,000.

EDWARD S. LACEY.

Appointed May 1, 1889.

EDWARD S. LACEY was born in Chili, Monroe county, N. Y., November 26, 1835. His grandfather, Samuel Lacey, was orderly sergeant and major of a regiment of Vermont infantry in the War of 1812. His father, Edward D. Lacey, filled several offices of trust and honor, and emigrated with his family to Michigan in 1842, and located at Charlotte, Eaton county.

Edward S. Lacey received a good common school education, which was supplemented by a course at Olivet College. When eighteen years of age he began his business career as salesman in a general store at Kalamazoo, Mich., where he remained for four years. Returning to his home he was elected register of deeds, a position he filled for two terms, when he formed a copartnership in the banking business with Hon. Joseph Musgrave. The private bank thus established was in 1871 succeeded by the First National Bank of Charlotte, of which Mr. Lacey was director and Cashier, and subsequently President.

He has been interested in many business operations, and has been uniformly successful. He took a prominent part in the construction of the Grand River Valley Railroad, of which he was a director and for many years treasurer.

Mr. Lacey was the first Mayor of Charlotte, and contributed largely to its systems of permanent improvements. He entered political life as a Republican, in 1860, and has occupied many positions of trust in his county and State. He was a delegate to the National Republican Convention in 1876, and elected in 1880 and 1882 to the Forty-seventh and Forty-eighth Congresses, from the Third Congress District of Michigan, and during the campaign of 1882 served acceptably as Chairman of the Republican State Committee of Michigan. He was an active and efficient member of the Commit-

tee on Coinage, Weights and Measures, and Postoffices and Post Roads while in Congress, and of the Assay Commission in 1884.

In the Forty-eighth Congress Mr. Lacey delivered a speech on the silver question which gave him conspicuous recognition among students of monetary questions at home and abroad. He declined to become a candidate for a third term, and decided to retire to private life. He was urged, however, for the United States Senate by his friends, and although their efforts in his behalf were unsuccessful he made a credible show of strength.

In 1889 he was appointed Comptroller of the Currency by President Harrison without any solicitation on his own part. His long experience as a banker eminently qualified him for this position, and the duties of the office were administered with great efficiency and ability. The policy he pursued toward the National banks was both vigorous and conservative, tending to the protection of shareholders and the public alike. He resigned in 1892 to accept the presidency of the Bankers National Bank, of Chicago, one of the most successful of the newer banks of that city.

Mr. Lacey has led a very busy life, and whether in the conduct of his own private business, in the service of his State, or the halls of Congress, he has been a close student of questions affecting the silver problem, the currency, and banking institutions of the country. His life work has been in the financial world, and the benefits that have resulted therefrom have been national in character and of manifest service to the country. Mr. Lacey was married in 1861 to Annetta C., daughter of Hon. Joseph Musgrave, of Charlotte, Mich.

ALONZO B. HEPBURN.

Appointed July 27, 1892.

ALONZO BARTON HEPBURN was born at Colton, N. Y., July 24, 1846. He entered Middlebury College in the class of 1871.

His first public office was that of School Commissioner in St. Lawrence county, which position he held for three and one-half years, resigning to take his seat in the New York Assembly, January 1, 1875. He was re-elected to the Assembly for five successive years, during which period he served on the Commitees on Railroads, Insurance, Judiciary, Ways and Means, and other important committees. His attention was devoted to business and financial interests rather than to politics.

He was the author of many important and salutary laws relating to insurance, railways, etc. As Chairman of the Insurance Committee he introduced, among other important measures, and secured the passage of a law making life insurance policies non-forfeitable after the payment of three annual premiums, and requiring the companies upon application to issue paid-up insurance to an amount which the surrender value of the policy would purchase at regular rates.

In 1883 Mr. Hepburn was appointed Receiver of the Continental Life Insurance Co., and closed up its affairs.

He was Chairman of the Railroad Investigating Commission, created at the instance of the Chamber of Commerce of the State of New York, took over six thousand pages of testimony, and reported to the Legislature several important measures which became laws—among them the Act creating the

present Railroad Commission, an Act regulating the use of proxies, and an Act defining and regulating annual reports, compelling a continuous balance-sheet. Prior to this Act the railroad reports had been a source of confusion rather than of information to an investigator.

He was appointed Superintendent of the Banking Department of the State of New York in April, 1880, and held the office for more than three years. His administration of the affairs of this important office was conspicuously successful, as evidenced by the large increase of resources, reserve and surplus of the banks and trust companies during his term. There were no bank failures in the State of any importance during his incumbency.

In June, 1889, Mr. Hepburn was appointed National Bank Examiner for the cities of New York and Brooklyn, and made a most creditable record in this capacity.

President Harrison appointed Mr. Hepburn Comptroller of the Currency, on July 27, 1892, the selection meeting with approval by the banking interests of the country, as his fitness for the place was generally recognized.

As Comptroller of the Currency Mr. Hepburn's course was characterized by that same judicious and conservative spirit that had previously marked his official career.

In his Annual Report for 1892 Mr. Hepburn recommended the funding of the public debt into bonds bearing a lower rate of interest, and having twenty, thirty and forty years to run, the bonds to be used as a basis for National bank circulation. He also took strong ground in favor of maintaining a sound national currency.

With the incoming of a new Administration Mr. Hepburn resigned his office to accept the presidency of the Third National Bank of New York. His management of that institution has greatly added to its prosperity. The increase in the bank's business under his careful direction is a strong proof of his capability as a managing officer. Mr. Hepburn is a banker of the best type, and is thoroughly well informed, both by study and experience, in regard to all the details of the business.

Mr. Hepburn furnished many valuable suggestions in forming what is known as the "Baltimore Currency Plan," proposed by the American Bankers' Association. He is in sympathy with all wise and well-directed efforts for promoting currency reform, and represented the Chamber of Commerce of the State of New York at the recent monetary convention at Indianapolis.

JAMES H. ECKELS.

Appointed April 3, 1893.

JAMES H. ECKELS was born at Princeton, Illinois, November 22, 1858. He attended the public schools of that city and graduated at the High School in 1876. In 1879 and 1880 he attended and graduated from the Albany, N. Y., Law School. In 1881 he commenced the practice of law at Ottawa, Illinois, and continued the same until April 3, 1893, when he was appointed Comptroller of the Currency by President Cleveland, to succeed Hon. A. B. Hepburn, resigned. He entered upon the duties of his office April 28.

Mr. Eckels was without any banking experience whatever, and his appointment was criticized on that ground at the time it was made.

Within little more than thirty days of his appointment the country was plunged into a violent financial panic, due to the fear that the Government would be forced to suspend gold payments. Failures of National, State and private banks followed in quick succession, rendering the year 1893 one of the most memorable in the history of bank failures in this country.

During this trying ordeal Mr. Eckels discharged the duties of his office with admirable skill, completely disarming the opposition invoked by the appointment.

His Annual Report for 1893 showed that 158 National banks, with a capital stock of $30,300,000, had suspended during the year. In the preparation of his Annual Reports Mr. Eckels has followed the best precedents of the Bureau, and has contributed a large amount of well-arranged information, statistical and otherwise, in relation to the banks of the country. Special investigations in regard to the proportion of checks and currency used in business transactions, and also as to the kinds of money on deposit in the banks, have formed interesting features of his reports.

Considering the very trying conditions prevailing at the beginning of his term, it must be said that Mr. Eckels has made a good officer, and aside from that fact he will bear comparison with any of his predecessors for the care and thoroughness of his reports and the soundness of his recommendations touching amendments to the currency and banking laws.

Mr. Eckels also performed a most valuable public service in the last presidential campaign, and for his work done at that time he deserves to share with Secretary Carlisle the honor of holding a large part of his party in line for sound money, thus preventing a free silver victory. His speeches on the currency issue were marked by great familiarity with the issues involved, and they undoubtedly had an important and beneficial effect in deciding the contest between the gold and silver standard.

Mr. Eckels is generally popular with the bankers of the country, and very many of them would be pleased to have him continue in office under the new Administration, if he so desires.

SHERMAN ON GREENBACKS.—In a letter addressed to Albert H. Walker, of Hartford, Conn., under date of Dec. 3, Senator Sherman thus expresses himself in regard to the proposed retirement of the legal-tender notes :

MY DEAR SIR :—Your kind note of the 28th ult. is received. I do not sympathize with the movement proposed to retire United States notes from circulation. I believe it is easy to maintain a limited amount of these in circulation, without danger or difficulty. The maintenance in circulation of $346,000,000 United States notes, supported by a reserve of $100,000,000 gold, not only saves the interest on $346,000,000 of debt, but is a vast convenience to the people at large. The best form of paper money is that which is backed by the Government, and maintained at the specie standard. The absolute security of these notes was never called in question, after the resumption of specie payments in 1879, until the reserve was being trenched upon, to meet deficiences in current revenue, brought about by what is known as the Wilson Tariff law of 1894. Very truly yours,

JOHN SHERMAN.

There can be no doubt as to Senator Sherman's ability to pronounce sound opinions in regard to the currency, but those who do not agree with him politically charge that he sometimes modifies his real opinions for the sake of political expediency. The position taken in the above letter would seem to afford some ground for this view.

BANK NOTE ENGRAVING.

The earlier specimens of bank-note engraving, as compared with the elaborate and artistic productions of the present day, were crude and rude indeed. Between the Continental notes of the Revolutionary period and the Government issues of to-day, and even between the bank notes of fifty years ago and the present National bank bills, there is almost as great a contrast as there is between "block-books" of the fifteenth century and the fine typographical products of the nineteenth century. In bank-note engraving America assumed the initiative and has steadily kept in advance of other countries. It is within the last two decades that the Bank of England discarded its simple, inartistic and easily counterfeited notes and adopted our advanced ideas. The Bank of France and those of other European countries have been equally slow in this line of progress.

Jacob Perkins, the inventor of engraving on steel, is also the father of bank-note engraving in this country. His discovery of the transferring process made it possible to produce, at reasonable cost, steel bank-note plates, with vignettes and decorations capable of almost infinite combinations, thus giving the banks throughout the country issues which by their beauty appealed to the eye and the taste and necessitated that counterfeiters should be first class engravers. Not but that counterfeiting has been frequent, for what one engraver has done another can do; but the constant progress in the art, and the introduction of intricate and expensive machinery for some portions of the work, have lessened the number and the danger of counterfeits year by year, while the art itself has now reached a point of perfection beyond which further progress seems impossible.

The invention of the transfer process, the introduction of the lathe work, the employment of superior designers and engravers, and the great demand for plates in every section, all competing with each other in issuing the handsomest bills, very soon made bank-note engraving a most important industry in this country. For awhile a half dozen or more concerns engaged in the business of supplying the bank notes and later was formed by the combination of these the American Bank Note Company, which has long held a monopoly of the business, as well as of the similar elaborate engraving of plates for checks, drafts, certificates of stock, bonds, etc. It also controls much of the other finer sort of engraving required by business men, corporations, and mining and manufacturing companies.

The processes of bank-note engraving are interesting. All the pictures, such as portraits, views, copies of celebrated paintings, or vignettes of whatever character, are engraved by first-class artists in line engravings upon small pieces of plate, which are softened and annealed. When the engraving is finished, and the proof satisfactory, the plate is hardened, and is then transferred to another plate, or more frequently to a steel cylinder, which, when hardened in turn, presents a raised impression, which will in a few minutes cut by pressure or by rolling under heavy pressure, a duplicate of the original plate on the plate finally to be used in printing. This is an important part, but by no means the whole of the work. Other portions of the plate for the note have been cut by machinery, and transferred to the plate; the "counters" on which the figures of the denomination of the note are printed have been put in by lathe-work patterns, and indeed the greater part of the plate itself, is now done by machinery, leaving, if anything, only the large figures indicating the denomination to be cut in by the engraver. The plate, thus completed by

various transfers, is now hardened, and is ready for the printer. With numerous skilled workmen at work upon the different parts of a plate its production is now the work of but a few hours where the engraving of a vignette occupied days. The plates for printing, as made by the transfers, are thin plates of steel, with sometimes two, three, or four notes on a plate, and sometimes a single note. Notes of large denominations, one hundred dollars and upward, requiring fewer impressions than the lesser notes, are sometimes engraved on copper.

In printing from the plates, the same care is necessary as in the best plate printing, and special presses are used which will register every impression taken, so that not a single sheet can be abstracted by dishonest persons during the process. After printing, the sheets are dried, and are subsequently pressed under hydraulic pressure. The numbering of the notes with red or other colored figures is done by a curious machine, which itself appears to have some knowledge of figures and which counts accurately.

The present system of the United States Treasury and National bank notes has done away with the vast variety of designs formerly used by State banks. Whatever the face of the National bank note may display, as to State, city or name of bank, etc., the backs of all these bills, according to denomination, display the same designs, which, for different denominations, is a copy of one of the historical pictures in the rotunda of the Capitol at Washington.

STORIES ABOUT BANKERS.—In the Detroit, Mich., "Evening News," C. F. M. tells the following entertaining stories about bankers:

A receiving teller in a certain Detroit bank was balancing his cash at the close of the day's business, and set a pile of currency rather close to the wicket. The Cashier came along and thinking to impress the young man with the importance of being careful to guard against sneak thieving, he quietly slipped off the top package of $250, unnoticed by the teller, and took it to his own desk, where he put it in a pigeon hole, intending when the young man announced that he was short $250 in his cash to refund the money and preach a sermon on thoughtlessness. But unfortunately for the receiving teller, the Cashier's wife came in her carriage and invited the Cashier to have a drive before dinner. The Cashier took the drive and went home. The sermon was preached the following morning, after the young man had worked all night trying to find the shortage in his cash.

In the days of John P. Hogarth, National bank examiner, he was examining a bank in Detroit when he ran across an account that had been continuously overdrawn for three months. The Cashier was out of town and the President was temporarily holding down his chair, but like some other bank presidents he knew very little about the banking business.

"I see that Smith & Co.'s account is overdrawn," remarked Mr. Hogarth. "Now, that is wrong and should be stopped. You ought to have them make it good in some way."

"Certainly," replied the bank President, "I will attend to it the first thing in the morning."

Next day he sent for the head of the firm and said:

"Mr. Smith, your account is overdrawn several hundred dollars, and the bank examiner says it has got to be made good."

"Well, I don't know what to do," said Smith.

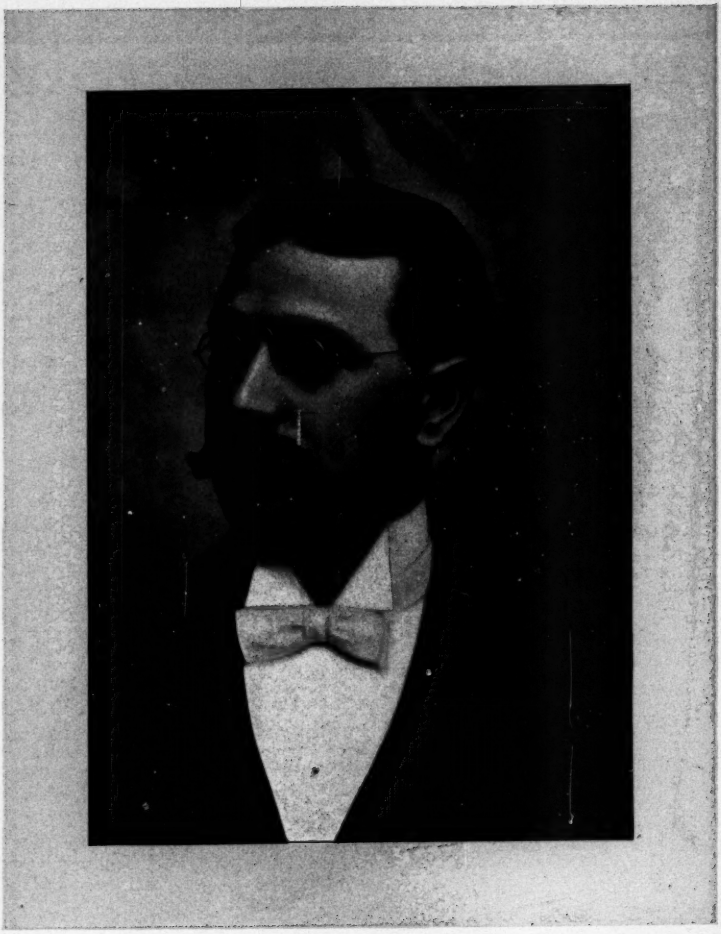
"It must be fixed up in some way," said the bank President. "Let me see—suppose you give us your check for the amount?"

This was agreeable to Smith, who left his check. Soon afterwards the bank examiner came in.

"Well," he said, "how about that overdraft?"

"Oh, that's all right," said the bank President. "Smith was in to-day and gave me his check for it."

The bank examiner discovered that Smith had gone to the window and deposited his own check. This made a corresponding debit and credit, and left the overdraft exactly where it was before!



Geo. M. Reynolds

GEORGE M. REYNOLDS.

GEORGE M. REYNOLDS, President of the Des Moines National Bank, of Des Moines, Iowa, whose portrait appears in this issue of the BANKERS' MAGAZINE, has received most flattering mention as a candidate for appointment by President-elect McKinley as Comptroller of the Currency.

That none but a trained banker, of sound and tried abilities, should be placed in this responsible position is so obvious a proposition as to require no elaborate argument to sustain it. Nor is the force of this statement at all lessened by the wise administration of the present occupant of the office, who was selected by the President despite his lack of practical knowledge of banking affairs. Though the experiment of choosing one not a banker as the head officer of the national banking system, with its vast responsibilities, proved a fortunate venture in this particular instance, the experiment is too hazardous to bear repetition. So intimately is the national banking system interwoven with the business interests of the country that an injudicious appointment in this department of the administrative affairs of the Government might easily work incalculable mischief in a very brief time.

The chief supervising officer of the National banks should be a banker, and not only that, but one whose financial ideas are matters of public record, and whose sagacity and executive ability have stood the test of practical experience.

Iowa is a typical American commonwealth, free from the taint of strange political delusions. Its people are, as a rule, prosperous and contented, and the almost unequalled fertility of its soil and the energy and industry of the people have furnished a solid basis for the legitimate growth of banking and other business enterprises.

Mr. Reynolds has therefore been fortunate in his environments, which have supplemented the stability of his character and his natural and acquired endowments in developing those business qualities so generally recognized and admired by those who know him best.

To the people of Iowa and the West Mr. Reynolds needs no introduction, for he is known by leading representatives of the banking men of the country. For several years he has been a regular attendant at the conventions of the American Bankers' Association, and at the last convention held in St. Louis was elected a member of its executive council.

Mr. Reynolds is a native Iowan and began his banking experience in 1879 at the age of seventeen as a clerk in the Guthrie County Bank, now the Guthrie County National Bank, of Panora, Iowa, of which his father was one of the organizers and in which he was largely interested. Mr. Reynolds, on account of his ability, was soon granted privileges seldom enjoyed by young men entering a bank, for at the end of the first year he was allowed to pass upon loans and assume other responsibilities which gave him valuable experience.

He remained with this bank for seven years, when in 1886, in order that he might have a wider field for the exercise of his abilities, he removed to Hastings, Nebraska, and with others organized a loan and trust company. He remained in Nebraska only two years, for he and his father having purchased the stock of those active in the management of the Guthrie County National Bank, Mr. Reynolds returned to Panora to assume the duties of Cashier of the bank in which he began

his career. He occupied this position for five years and won for himself a reputation for ability and conservatism as a banker. His skill in the conduct of the affairs of this institution soon attracted the attention of bankers of larger cities, and he received many offers of more responsible positions.

In 1898 he accepted the cashiership of the Des Moines National Bank, of Des Moines, Iowa. He showed such skill in handling its affairs during the trying times of 1893 and the following year of depression in business that he was elected to the presidency of the bank in 1895. Mr. Reynolds has, by his wise management of this bank, not only made an enviable reputation as a careful, conservative and progressive banker, but has made the Des Moines National Bank one of the largest National banks in the State.

Mr. Reynolds is affable and courteous, keen in discernment, quick in decision and firm in the discharge of any duty. His candidacy for the comptrollership is urged not only by the press of the political, banking and business interests of Iowa, but he has the support of the Iowa delegation in Washington and many prominent public men in different sections of the country, and is endorsed by many of the influential bankers of the large cities, both East and West. It is generally believed that he has an excellent chance of receiving the appointment. As a student of financial and business problems, he has a thorough knowledge of the conditions prevailing in the different sections of the country, as well as the causes leading to them. If he should be appointed Comptroller, he would administer the affairs of the office in a manner acceptable to the Administration and satisfactory to the bankers and the people of the country.

A LIBERAL BANKING SYSTEM.—William L. Royall, of Richmond, Va., has written a letter to Chairman Walker of the House Committee on Banking and Currency, stating that what the South, North and West want is a liberal banking system rather than any particular system. Mr. Royall thinks that if amendments can be made to the National bank law abandoning the "requirement of Government bonds as a basis for circulation, and allowing the banks to issue notes upon their own assets up to the limit of their capital, but still subjecting them to the control of the national Government, we should never hear again about the financial question, but on the contrary, peace and content, so far as finances are concerned, would obtain in those regions."

Mr. Royall believes the entire Southern vote would be given to a bill allowing the Treasury to issue low-rate Government bonds to take up legal-tender and Treasury notes, providing such a bill would repeal the 10 per cent. tax on State bank notes.

In regard to this Chairman Walker said: "There is no difficulty in complying with the suggestions made by Mr. Royall, and at the same time strengthening rather than weakening the national system, providing the banks will assume *pro rata* the current redemption of the legal-tender notes in proportion to the notes the banks are allowed to issue against their assets. If any general bill is reported by the Banking and Currency Committee it will probably follow these lines.

The effect of abolishing the 10 per cent. tax on State banks, with the existence of the legal-tender notes, the Treasury notes, and the silver dollars, it would give us financial chaos. If they were not in existence it would give us a far better banking system than we have to-day.

With a very small tax, say two mills on the dollar, to create a safety fund, it would be in every respect as safe as the present system. There are in fact no currency notes issued by banks anywhere in the civilized world, that I can recall, that are not so issued, except in the United States."

THE DENATIONALIZED BANKING SYSTEM.

The madness and folly shown in popular remedies for the cure of financial ills are now a great wonder and form the subject of much ingenious speculation. When the time comes for history to pass its judgment upon this period of our national existence, it is a question whether the greater marvel will not be the madness and folly shown in persistent neglect of the just grievances of the people.

That the attachment of the South to the free silver movement is more a bychance than a genuine affection is demonstrated by the circumstances attending the renomination of President Cleveland. He was a known opponent of free silver and during his first term recommended the repeal of the Bland-Allison silver coinage Act. The professional politicians in great number were opposed to his renomination and brought to bear against it every available influence. At this juncture he publicly reiterated his antagonism to free coinage, but in spite of this popular support of his candidacy was so strong as to beat down the politicians and carry the convention.

What then turned popular sentiment in the South so strongly in favor of free silver that all the influence of the Administration and all the appeals of the northern wing of the Democratic party could not withstand it? The fact that every other resource seemed to have been exhausted and the only practical hope of decisive action on the currency question was that held out by the silver movement.

When the election of 1892 placed the Democratic party in control of every branch of the Government, the hope of the Southern people was high that something would be done to alleviate the conditions under which they labored and open to them the opportunities which the people of other sections enjoyed. Without understanding the case clearly, but with a distinct consciousness of unjust treatment, they put their trust in leadership without much consideration of details, as the people always do when they have the opportunity. The result was bitterly disappointing. Tariff reform degenerated into a mere scandal which excited only anger and disgust. Nothing was done to carry into effect the platform recommendation of the repeal of the prohibitory ten per cent. tax on State bank issues. So far as the currency question was concerned the efforts of the Administration had purely negative results. The silver purchase law was repealed and with it the increase of the volume of Treasury notes, but no alternative source of currency supply was opened. The only positive policy that touched the real grievance of the Southern people and which seemed to have practicability as a political movement, was that offered by the free silver propaganda. Is it any wonder then that the mass of the Southern people were willing to try it?

That they have a grievance in the oppressive regulations of the National banking law has long been admitted. That system was not founded on banking principles but with the special purpose of making a market for Government bonds. It based issues of National bank notes on a single kind of asset and taxed every other species of bank circulation out of existence. The issues were so conditioned as to take away from bank-note circulation all capacity of response to the varying requirements of trade, so that the baneful results which attend both plethora and famine are alternately produced. While the latter attracts most attention it may be doubted whether the former is not often the worse in its effects. The principles of management shown in the organization and conduct of some of the industrial trusts now so common, indicate a deep corruption of business enterprise, and there

seems to be an intimate connection between such manifestations and the frequent accumulation in financial centers of piles of bank funds in excess of all legitimate business needs.

The necessity for the hard conditions imposed by the national banking law has long since passed away, but nothing has been done to relax them. On the contrary the efforts of the Government, sustained by heavy taxation, were for many years exerted to diminish as much as possible the quantity of the one asset available for note emissions.

Between 1881 and 1891 the bonded debt of the United States was reduced from $1,689,567,750 to $610,529,120. In 1878, when there were 1,940 National banks, with a capital amounting to $487,781,551, their note circulation was $344,582,812; in 1891, when the number of banks had increased to 3,578, with a capital of $665,267,865, bank-note circulation had declined to $125,660,361. The process not only makes the asset scarce but at the same time makes it so costly that it does not pay to issue notes unless a high rate of interest can be exacted from borrowers.

While the law tends to extinguish the capacity of the banks to furnish supplies of currency, it at the same time contains provisions which restrict the usefulness of the banks. It is universally admitted that the South and Southwest contain large resources the development of which would naturally invite the extention of banking operations in that direction. Doubtless such would be the case but for a very peculiar provision of the law.

The national banking system is national only in name, while in fact it is rigidly confined to local fields of operation. All the usual business of a bank must be transacted at the place named in its charter. The courts have decided that under the law a bank can not even arrange to have checks upon it cashed anywhere else. No matter how bank funds may congest in cities or in particular sections, there is no way by which the banks of those sections can extend their transactions to regions where there is a greater demand for banking facilities. A transfer of funds from place to place goes on but it is by means of loans effected by banks whose local fields make such an active demand as to furnish two banking profits for the sake of obtaining the supply. The effect, according to Chairman Walker of the House Currency Committee, is to make the cost of loans and discounts in the South and West fully two per cent. above the normal rate.

The unfairness of these unnatural conditions imposed by law is an old story. In the 1874 edition of the American Encyclopedia it is remarked that "the distribution of national banking capital throughout the country is very unequal and based on no sound or equitable principles."

Many years have elapsed since then and the duty of the people to submit to this state of affairs is still more enlarged upon than the duty of the Government to reform it.

According to the report of the Comptroller of the Currency for 1895 there are 2,901 National banks with a capital of $536,725,882 in the North and Northwest and only 814 with a capital stock of $126,848,950 in the South and Southwest. The disparity is, however, much greater than would appear from these figures, for in the latter sections capital is massed in a few great cities and over the greater part of the vast area banks are few and small. There are only ten National banks in all Mississippi and only nine in Arkansas. In 1860 Louisiana was the fourth State in the Union in point of banking capital and the second in point of specie holdings, under a State banking law regarded by experts as a model of scientific legislation. And now with a population of 1,190,000 the capital stock of its National banks amounts to $3,660,000, little more than half the bank capital of Vermont with a population of 333,000!

Taking together every item of bank capability—the capital, surplus, and

deposits of National banks, State banks, stock Savings banks, loan and trust companies and private banks—and we have such contrasts as these, in the ratio of bank funds to population: New Hampshire, $226.53; North Carolina, $9.56; Vermont, $153.44; Alabama, $7.40; Maine, $136.83; Arkansas, $6.90. The aggregate bank fund of all kinds for the thirteen Southern States amounts to $414,024,881. Pennsylvania alone has $661,176,381 and Massachusetts has $887,449,028.

But even that does not tell the story. Unless a community is large enough to support a bank of its own it is excluded by law from having any banking facilities. And so, over a large area of the South and Southwest, almost primitive conditions of barter prevail. Payments are made in kind, for there is no money. Instead of going to a bank for funds the farmer gets credit for goods at the country store or gets supplies from the commission merchant who handles his crops, submitting to charges at every step which cut a big hole in his profits at the best of times and in bad times leave him in debt. Unless the transactions of a community are carried on by money payments it cannot save or develop the interests which induce caution and conservatism in dealing with questions of financial policy. The report of the Comptroller of the Currency shows Savings bank deposits for New England amounting to $771,859,616; for the Middle States, $797,897,074; for the Southern States $9,618,343. The contrast explains the difference between the sections in their attitude toward the free silver movement.

Such is the so-called national banking system. Could there be a more effective arrangement to foster agrarian discontent and to incite popular movements menacing the stability of our institutions?

HENRY J. FORD.

SEWICKLEY, Pa., Jan. 2, 1897.

LOANS OF THE UNITED STATES.—The first loan made by the United States was made payable in tobacco. The loan was authorized by a resolution of the Continental Congress on December 28, 1777. The length of the loan was indefinite, and the amount authorized was $10,000,000. The amount issued was $181,500, which sold at par, with interest at 5 per cent. This was received on June 4, 1777, from the Farmers General of France. The purpose to which the loan was applied was the "purchase of supplies and to aid in the building of cruisers to prosecute the War of the Revolution." The interest on $153,682.89, the balance of this loan, ceased on December 31, 1795, when it was merged into the general account of the French debt. In those days tobacco passed as currency between the colonies. In 1789 Secretary Hamilton found the Treasury without funds. On his own responsibility he negotiated a loan for $191,608.81. It sold at par with 6 per cent. interest. The first issue of this loan was on September 13, 1789, and June 8, 1790, was named as the date of final redemption, and the duties on imports and tonnage were set aside to meet it. The money was obtained from the Bank of New York and the Bank of North America. A third loan followed under the Act of Congress of March 26, 1796. It was negotiated by President Washington, and the amount issued was $55,000. The contract for the loan provided for its repayment on terms similar to those of the preceding loan, the revenues derived from duties on imports and tonnage being pledged for its redemption. There was in the Treasury at the time a sum not exceeding $50,000. Other loans followed in quick succession, and their history, as recited in Register of the Treasury Tillman's report, contains invaluable information for students of Government finances.

A most interesting and complete historical review of all the loans of the United States was begun in RHODES' JOURNAL for October, 1893, and will be continued in the BANKERS' MAGAZINE during the year 1897.

*THE BANK OF ENGLAND'S DISCOUNT RATE.

(Continued from December number, page 657.)

Effect of Changes in Rate.

Having briefly considered the cause of changes in the rate of discount, we will now study some of the effects. Of these the most important would be in relation to the commerce of this country, because, as we have seen, the greater part of our trade is carried on by means of borrowed capital.

Every change in the price of money must of necessity react upon the value of commodities. Merchants purchase goods on the presumption of being able to borrow capital at all times. If borrowing becomes difficult or disorganized, the whole trade of the country suffers. Of course, profits made on the purchase or sale of goods are considerably affected by the fluctuations in the rate. If a merchant has to pay a higher rate for the loan of capital than he has estimated in a contract, his profit might be reduced to nothing.

Trade would become restricted if they were abnormally high, because merchants would find it difficult to obtain a correspondingly higher value for their commodities.

If, however, we get low rates of interest, production would be stimulated, and, as a consequence, trade would be active, but a high rate of interest does not materially affect commerce, although great fluctuations may be detrimental.

A high rate would stop speculation, and this at times is beneficial to the country. It would be the means of preventing a certain amount of circulating capital being converted into fixed, that is, expended in the construction of railways, mines, docks, and other similar undertakings. In such cases capital would not be reproduced for a long term of years.

We find reference made in financial journals as to the price of capital in relation to trade. They inform us that at times the rate of discount should be reduced in order to afford relief to the mercantile community. This demonstrates how closely the trade of this country is associated with the value of money.

Mr. Bagehot has stated that "Lombard street is by far the greatest combination of economical power and economical delicacy that the world has ever seen." It is the centre or the money market of the whole world. All demands for capital are supplied from this centre.

If a foreign Government wishes to borrow capital, the rate of interest prevailing in Lombard street would first be ascertained. If the rate was high, the Government would wait for a more favorable opportunity. Every nation wishes to borrow cheaply, and therefore avoids a market where money is dear.

The English market has been invariably a cheap one for borrowers, and therefore foreign States have found it advantageous to borrow here, rather than in Paris, Berlin, or New York.

This is seen from the average rates since 1845:

1845-54	£3	8	8	1875-84	£3	3	8
1855-64	4	14	8	1885-94	3	3	2
1865-74	3	16	5				

* From "Banks and Banking," by H. T. Easton. London: Effingham Wilson.

The rate of interest allowed by the banks for money on deposit is determined by the bank rate. The London banks generally allow 1½ per cent. below bank rate unless the rate is very low, when there is only a difference of 1 per cent. We have explained elsewhere the reason of this difference. The London banks and discount houses announce in the daily papers their deposit rates the day after the bank rate is fixed.

If a high rate of interest is allowed, we should expect to see the deposits in banks increase, but if low the deposits would tend to decrease, because the depositors would naturally find other investments for their capital. It may, however, happen in consequence of the difficulty of finding employment for capital, and also in consequence of a want of confidence, the deposits in banks may increase, although the rate allowed is only ½ per cent.

The value of money in the London market soon affects the rates prevailing in other great commercial centres, such as Paris, Berlin, Vienna, Amsterdam, and New York. The changes in the bank rate are soon reflected in the foreign exchanges. Thus, with a high rate prevailing in the London market, we should observe that the exchanges would gradually tend in favor of this country. This is in consequence of capital being sent here for investment.

We might say that London is the great clearing-house of the world. More bills of exchange are drawn upon London than any other commercial centre, and such bills are a favorite investment on the Continent. The holders of such bills profit by the variation in the rates of exchange.

Mr. Goschen refers to this subject in his book on the foreign exchanges, thus: "We now come to the fact which it is very important clearly to appreciate, that at any moment there is in the hands of bankers and exchange dealers a large amount of bills on foreign countries, held partly for the purpose of speculating on a rise or fall in the price of bills, but to a very large extent solely for the sake of the interest which is to be made on them. Bills on England, owing to the high rate of interest which they often bear as compared with continental rates, are a favorite investment abroad. In Paris, Berlin, Frankfort, Hamburg, and other continental cities, the bills on England held by bankers and joint-stock companies often amount to many millions sterling, and a very large sum remains in their hands for several months, in fact from the time when the bills are drawn to the time when they fall due."

The changes in the rate of discount have a considerable effect on the Stock Exchange, where vast amounts of capital are lent fortnightly, and consequently such changes soon affect the value of securities. If rates are low, speculation increases and more purchases are effected. Various stocks are bought because the rates of interest on such stocks are higher than the rate which the borrowers pay to the banks.

Supposing £10,000 Colonial Stock is purchased and the stock bears 4 per cent. interest, and 2½ per cent. is paid for the loan of capital advanced on it, then the purchaser gets 1½ per cent. by the transaction if he is able to borrow from one settlement to another.

Again, a low rate encourages speculation, because, the brokers being able to borrow cheaply, there is a tendency for all securities to rise.

The rates charged for "carrying over" stock on the Exchange fluctuate with the bank rate of discount, and if such rates are high, speculation is checked and the price of securities falls. There is therefore a close connection between the rates for money and the price of securities.

We will briefly consider the effect upon some of the securities dealt in on the Stock Exchange. At the head of such securities would be British Government Funds, which are particularly sensitive to changes in the rate of interest. They form a floating security in the money market. The large financial houses are able

to borrow capital from the banks against Consols, and, if the average rate of interest in the market is higher than the rate on Consols, there would be a tendency for the price to fall. The holders would prefer selling their stock and lending capital in the open market.

If, again, the banks offer a high rate of interest for deposits, the holders of Government Stock might prefer selling to get the higher rate. With a high market rate prevailing the banks would be inclined to sell Government Stock in order to lend the proceeds to bill brokers, and thus secure a more remunerative return for their capital.

Again, the price of Treasury and Exchequer Bills is largely affected by the market rates for money. These securities like Consols are utilized by discount houses as cover for advances made by banks to such institutions. We therefore find the price of these securities fluctuating with the market value for capital.

Mr. Giffen refers to this as follows: "There is a close connection between the short loan and the speculation in securities. The funds of the short loan market are employed partly in holding securities, and where these funds are diminished or increased from any cause, however temporary, there is an immediate effect on the price of some securities. But the great mass of securities will only be affected by more permanent changes in the rates obtainable for money in other markets."

In recent years the connection between the Stock Exchange and the banks has been of a more intimate character. It has been stated by the "Economist" that an additional £9,000,000 of capital was lent by the banks on the Stock Exchange for the year 1889.

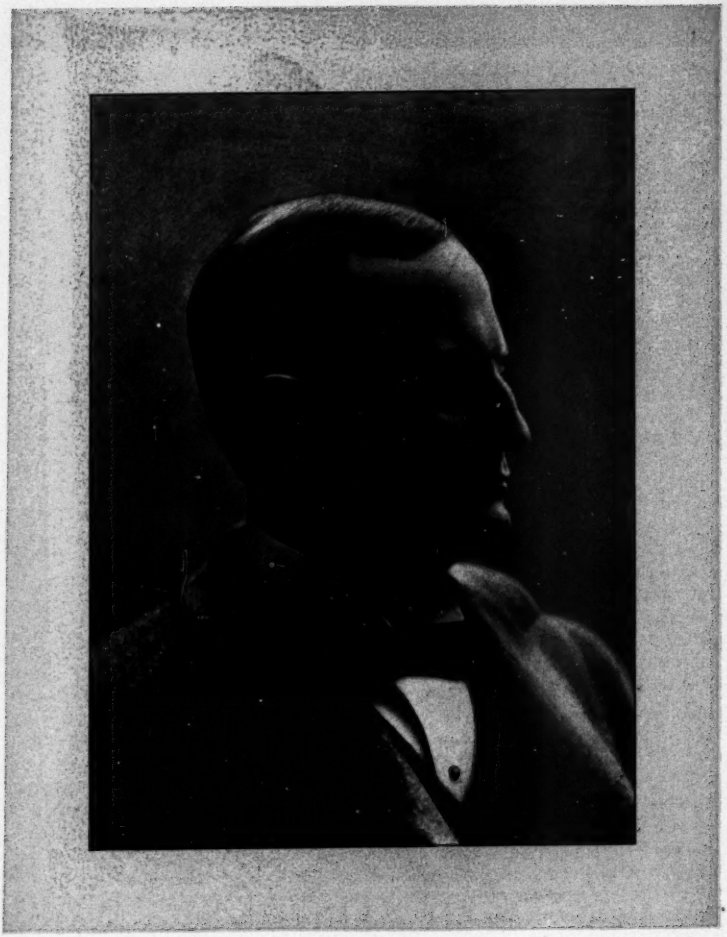
Large amounts of stock are deposited with the banks by stockbrokers against money lent for the fortnightly account, a certain margin being provided to cover contingencies. When the settlement arrives, a fresh loan is made and the stock is carried over for another fortnightly period. It is easy to understand how the rates for money must affect the price of securities which have not been bought by the public, and therefore do not represent actual purchases or sales.

Credit is also an important force in connection with the Stock Exchange. If at any time a rumor gets abroad that the banks intend to refuse loans on certain securities, the price of such securities falls considerably. The withdrawal of loans by the banks from the Stock Exchange would have a most disastrous effect. It was stated quite recently that certain banks intended curtailing their loans on the Stock Exchange, and even that rumor almost created a panic.

Any increase in the value of money would tend to increase savings, and as a large portion of such savings would be invested on the Stock Exchange, prices would therefore rise. On the other hand, a low rate of interest would act as a check on savings, and this effect is reflected in the price of securities.

The value of money in the market does therefore exercise a great influence upon all interest-bearing securities.

A LOOK AHEAD.—There are substantial reasons for hoping that the year 1897 will witness a revival in business in this country. Barring the continued deficit in the Government revenues, which will probably be remedied by the incoming Administration, and which is a cause of no immediate concern, the situation is most favorable. For the past year the net gold imports were more than $80,000,000, the Treasury gold reserve is near the $140,000,000 mark, and the volume of our exports is unusually large, an especially heavy increase in manufactured products being noted, the per cent. of this class of exports to the total now being the highest ever recorded. The foreign exchange situation has been so favorable that the year has been turned without gold exports, and large foreign borrowings on the security of sterling are reported.



D. B. Singer,

GEN. D. B. AINGER.

COMMISSIONER OF THE MICHIGAN STATE BANKING DEPARTMENT.

Michigan is one of the Middle Western States having an efficient system of supervision of its State banking institutions. Failures of State banks are infrequent and indeed some of the chief commercial centres of the State have escaped such unwelcome visitations entirely at seasons when failures were common in other parts of the country. Careful supervision of the banks has contributed to this fortunate condition of affairs, but it is chiefly due to the general good management of the banks and to the stable business conditions that generally prevail throughout the State.

The total resources of the State banks of Michigan are nearly $100,000,000, and the office of supervising them is an important one. For several years past this work has been done very satisfactorily by Hon. T. C. Sherwood, who resigned recently to engage in active banking business. Upon his resignation Gov. Rich appointed Gen. D. B. Ainger, of Charlotte, as his successor. This appointment is one the fitness of which will, it is confidently expected, be made amply manifest in his discharge of the new duties devolving upon him. The MAGAZINE is pleased to be able to present a portrait of Commissioner Ainger in this issue.

Gen. Ainger has had a varied and interesting career. From his early manhood until the present time he has in several instances rendered honorable service to the United States Government. He has also served his own State with distinguished credit. He is a native of Ohio and was born at Bellevue, March 9, 1844.

He had not yet attained his majority when the War of the Rebellion began, and he enlisted as a private in the Twenty-third Ohio Infantry, a regiment in which he had as fellow soldiers Rutherford B. Hayes and William McKinley, both destined to serve in the future as Presidents of the United States.

After the war he became a newspaper publisher, and for twenty-five years published papers in Ohio and Michigan. Under President Hayes he held the position of Postmaster of Washington, D. C., and he retained that position under President Garfield. During the Administration of President Harrison, Gen. Ainger was appointed National Bank Examiner at large, by Comptroller Edward S. Lacey, in which capacity he had a wide and varied experience. He examined hundreds of banks in Ohio, Tennessee, Kansas, Oklahoma, Indian Territory, Maryland and Michigan, and the work was performed in a manner highly satisfactory to the department. It is claimed that his reports were particularly accurate and conscientious and that no bank which he examined failed afterwards without his reports having given warning of their unsafe condition. It was because of this experience and equipment that Governor Rich tendered him the appointment as Commissioner of Banking without solicitation on his part and the selection was highly commended in banking circles and by the press of the State. From 1887 to 1891 Gen. Ainger was Adjutant-General of the State of Michigan, having been appointed to that position by Gov. Luce. His long experience with business so exacting as the publication of newspapers, and in the discharge of public duties in the national and State offices which he has held, render him a well-equipped man for any public duty. For the past four years he has been Deputy Auditor-General of the State.

BANKING LAW DEPARTMENT.

IMPORTANT LEGAL DECISIONS OF INTEREST TO BANKERS.

All the latest decisions affecting bankers rendered by the United States Courts and State Courts of last resort will be found in the MAGAZINE'S Law Department as early as obtainable.

Attention is also directed to the "Replies to Law and Banking Questions," included in this Department.

NATIONAL BANKS—STATE STATUTE.

Supreme Court of the United States, November 30, 1896.

McCLELLAN *vs.* CHIPMAN. TRADERS' NAT. BANK *vs.* SAME.

A State statute forbidding conveyance of property in contemplation of insolvency is not in conflict with any of the provisions of the National Bank Act.

Mr. Justice WHITE delivered the opinion of the court.

Although these two cases were brought here by separate writs of error, they depend on the same facts, and involve the same legal question, and were passed upon by the court below in one opinion. (159 Mass. 368, 34 N. E. 379.) We shall therefore consider them together.

The Traders' National Bank, a corporation organized under the banking laws of the United States, carried on its business in the city of Boston. The firm of Dudley Hall & Co., composed of Dudley Hall and Dudley C. Hall, were likewise engaged in business in Boston, and were customers of the bank, having a deposit account therein. By an understanding between the bank and the firm, made to induce the latter to keep its deposit account with the former, the firm was to be considered as entitled to a line of discount on its paper to the extent of $20,000. On October 16, 1890, the partnership then being in the enjoyment of its full agreed-on discount, borrowed from the bank an additional sum of $12,500, which was evidenced by a note of Dudley C. Hall at one month, indorsed by the firm, and secured by the pledge of certain shares of the Ætna Mining Company and by two notes of that company, amounting to about $2,500. When this note matured, on November 16, 1890, a new demand note in an equal amount was given in renewal thereof, and was secured by the same collaterals. On December 17, 1890, payment of this note was demanded, and, the debtor being unable to meet it, a new note at two months was given, the sum thereof was passed to the credit of the firm, and the old note was debited, canceled, and surrendered. This new note was drawn, like the preceding one, by Hall, and indorsed by the firm, and was secured, not only by the same collaterals, but also by a conveyance of two pieces of land made by Dudley C. Hall to A. D. McClellan, a director of the bank, he giving to Hall a writing, in which it was declared that the conveyance was made for the sole purpose of securing the note held by the bank, and that on its payment the land would be retransferred. In March, 1891, the firm suspended payment, and the members thereof were adjuged to be insolvent under the insolvency laws of the State of Massachusetts, and made to their assignees an assignment of all their property, as required by the statutes of the State. In May the assignees brought a writ of entry against McClellan to recover the two pieces of land.

Sections 96 and 98 of chapter 157 of the Public Statutes of the State of Massa-

chusetts, relied on by the assignees to sustain their action to recover the land, are as follows:

"Sec. 96. If a person, being insolvent or in contemplation of insolvency, within six months before the filing of the petition by or against him, with a view to give a preference to a creditor or person who has a claim against him, or is under any liability for him, procures any part of his property to be attached, sequestered or seized on execution, or makes any payment, pledge, assignment, transfer or conveyance of any part of his property, either directly or indirectly, absolutely or conditionally, the person receiving such payment, pledge, assignment, transfer or conveyance, or to be benefited thereby, having reasonable cause to believe such person is insolvent or in contemplation of insolvency, and that such payment, pledge, assignment or conveyance is made in fraud of the laws relating to insolvency, the same shall be void; and the assignees may recover the property or the value of it from the person so receiving it or so to be benefited.

Sec. 98. If a person, being insolvent or in contemplation of insolvency, within six months before the filing of the petition by or against him, makes a sale, assignment, transfer or other conveyance of any description of any part of his property to a person who then has reasonable cause to believe him to be insolvent or in contemplation of insolvency, and that such sale, assignment, transfer or other conveyance is made with a view to prevent the property from coming to his assignee in insolvency, or to prevent the same from being distributed under the laws relating to insolvency, or to defeat the object of, or in any way to impair, hinder, impede or delay the operation and effect of, or to evade any of said provisions, the sale, assignment, transfer or conveyance thereof shall be void, and the assignee may recover the property or the value thereof as assets of the insolvent. And if such sale, assignment, transfer or conveyance is not made in the usual and ordinary course of business of the debtor, that fact shall be *prima facie* evidence of such cause of belief."

The action was tried before a jury, and there was a verdict in favor of the surviving assignee, and exceptions were filed and allowed. While these exceptions were pending before the Supreme Judicial Court, the Traders' Bank filed its bill in equity against the surviving assignee of the estate of Dudley C. Hall and Dudley Hall and A. D. McClellan, setting up its right under the conveyance made to McClellan, the bringing of the writ of entry, and the fact that the bank had not been made party defendant therein. The bill charged that the complainant, as a National bank, was entitled to take the conveyance of the real estate to secure the debt of Hall, and that the provisions of the statutes of Massachusetts which were relied on by the assignees were in conflict with sections 5136, 5137, Rev. St. U. S. The bill prayed that the assignee and McClellan be permanently enjoined from proceeding under the writ of entry and the exceptions filed therein; that McClellan be ordered to apply the proceeds of the property to the payment of the note and loan secured thereby. After due pleading, the issues tendered were reported by the presiding justice for the consideration of the full court upon certain questions of law reserved, and the full court affirmed the verdict of the jury and judgment thereon in the writ of entry case, and dismissed the bill in equity.

So far as concerned the Federal question, the court held that there was no conflict between sections 5136 and 5137 of the Revised Statutes of the United States and sections 96 and 98 of chapter 157 of the Public Statutes of Massachusetts. Both cases were brought here by writ of error.

The only Federal question for our consideration is whether there was conflict between the statutes of the United States and the provisions of the general law of the State of Massachusetts referred to, and heretofore fully set out. Two propositions have been long since settled by the decisions of this court:

First. National banks "are subject to the laws of the State, and are governed

in their daily course of business far more by the laws of the State than of the Nation. All their contracts are governed and construed by State laws. Their acquisition and transfer of property, their right to collect their debts, and their liability to be sued for debts, are all based on State law. It is only when the State law incapacitates the banks from discharging their duties to the Government that it becomes unconstitutional." (*National Bank* vs. *Com.* 9 Wall. 362.)

Second. "National banks are instrumentalities of the Federal Government created for a public purpose, and as such necessarily subject to the paramount authority of the United States. It follows that an attempt by a State to define their duties, or control the conduct of their affairs, is absolutely void, whenever such attempted exercise of authority expressly conflicts with the laws of the United States, and either frustrates the purpose of the national legislation, or impairs the efficiencies of these agencies of the Federal Government to discharge the duties for the performance of which they were created." (*Davis* vs. *Bank*, 161 U. S. 283.)

These two propositions, which are distinct, yet harmonious, practically contain a rule and an exception—the rule being the operation of general State laws upon the dealings and contracts of National banks; the exception being the cessation of the operation of such laws whenever they expressly conflict with the laws of the United States, or frustrate the purpose for which the National banks were created, or impair their efficiency to discharge the duties imposed upon them by the law of the United States. The provisions of the statutes of the United States upon which the plaintiffs in error rely are as follows:

"The national banking association may purchase, hold and convey real estate for the following purposes, and for no others:

* * * * * * * * * *

Second. Such as shall be mortgaged to it in good faith by way of security for debts previously contracted.

Third. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings." (Rev. St. § 5137.)

The argument is that, as the statute permits National banks to take real estate for given purposes, therefore the Massachusetts law, which forbids a transfer of property, with a view to a preference, in case of insolvency, where the transferee has reasonable cause to believe that the transferror is insolvent or in contemplation of insolvency, in no way controls the contracts or dealings of a National bank. But this position denies the general rule just referred to, and amounts to asserting that in every case where a National bank is empowered to make a contract such contract is not subject to the State law. In the case in hand there is no express conflict between the grant of power by the United States to the bank to take real estate for previous debts and the provisions of the Massachusetts law, which, although allowing, as a general rule, the taking of real estate as a security for an antecedent debt, provides that it cannot be done under particular and exceptional circumstances. Nor is there anything in the statutes of the State of Massachusetts, here considered, which in any way impairs the efficiency of National banks, or frustrates the purpose for which they were created. No function of such banks is destroyed or hampered by allowing the banks to exercise the power to take real estate, provided only they do so under the same conditions and restrictions to which all the other citizens of the State are subjected, one of which limitations arises from the provisions of the State law which, in case of insolvency, seeks to forbid preferences between creditors. Of course, in the broadest sense, any limitation by a State on the making of contracts is a restraint upon the power of a National bank within the State to make such contracts; but the question which we determine is whether it is such a regulation as violates the Act of Congress. As well might it be contended that any con-

tract made by a National bank within a State in violation of the State laws on the subject of minority or coverture was valid because such State laws were in conflict with the Act of Congress, or impaired the power of the bank to perform its functions. Indeed, reduced to its last analysis, the position here assumed by the plaintiffs in error amounts to the assertion that National banks, in virtue of the Act of Congress, are entirely removed, as to all their contracts, from any and every control by the State law. The argument that the concession of a right on the part of a State to forbid the taking of real estate by a National bank for an antecedent debt, under any circumstances, implies the existence of a power in the State to forbid such taking in all cases, begs the question, and amounts simply to a restatement of the proposition already answered. As long since settled in the cases already referred to, the purpose and object of Congress in enacting the National bank law was to leave such banks, as to their contracts in general, under the operation of the State law, and thereby invest them as Federal agencies with local strength, while at the same time preserving them from undue State interference wherever Congress, within the limits of its constitutional authority, has expressly so directed, or wherever such State interference frustrates the lawful purpose of Congress, or impairs the efficiency of the banks to discharge the duties imposed upon them by the law of the United States.

It is said that section 98 of the Massachusetts statutes is in conflict with the statutes of the United States in so far as it provides that, "If such sale, assignment, transfer or conveyance is not made in the usual and ordinary course of business of the debtor, that fact shall be *prima facie* evidence of such cause of belief;" that is, the belief on the part of the creditor of the insolvency of the debtor by whom the transaction was made. The reasoning is that, as the United States law allows the taking by a bank of real estate for an antecedent debt, and the State statute makes such taking of real estate *prima facie* evidence of a reasonable belief on the part of the bank of the insolvency of the debtor from whom the real estate is so taken, therefore the State law violates the National bank law, since it attributes to the doing of the act which the National bank law authorizes, a presumption which virtually annuls the contract unless proof be made to the contrary. But this view gives to the words "ordinary course of business" in the State statute a strained and unreasonable construction. The State statute does not provide that the mere fact that a security is taken for an antecedent debt renders the contract one not in the actual course of the debtor's business, thereby engendering the presumption of knowledge on the part of the creditor, but affixes such presumption only to cases where the particular nature of the dealings between the parties is such as to make the contract not one in the actual course of business, from which fact the statutory presumption arises. However, this objection does not arise on the record before us, since the Supreme Court of Massachusetts held that the effect of the charge of the trial court was substantially to instruct the jury that, before the plaintiff in the entry suit could recover, he must satisfy the jury by a preponderance of evidence that Hall, at the time of the conveyance, was insolvent.

The claim that the security vested in the bank by the conveyance of the land is taken away from it in violation of the United States law, because, under the Massachusetts law, a contract by a debtor giving a fraudulent preference to one creditor over another is voidable, and not void, is without merit. This contention concedes that, if the State law rendered the transaction void, there would be a valid exercise of State authority. But the power to do the greater necessarily carries with it the right to do the lesser. Nor is there anything in the opinion of this court in Davis *vs.* Bank, *supra*, which supports the argument of the plaintiffs in error. There the conflict between the State and the Federal law was found to be express and irreconcilable, bringing that case, therefore, under the exception to the general rule. The

opinion carefully confined the ruling there made to such a case, so as to render it inapplicable in a case like the one now before it. It said:

"It is certain that, in so far as not repugnant to Acts of Congress, the contracts and dealings of National banks are left subject to the State law, and upon this undoubted premise, which nothing in this opinion gainsays."

And the whole opinion was qualified by this language:

"Nothing, of course, in this opinion is intended to deny the operation of general and undiscriminating State laws on the contracts of National banks, so long as such laws do not conflict with the letter or the object and purposes of congressional legislation."

Finding no conflict between the special power conferred by Congress upon National banks to take real estate for certain purposes and the general and undiscriminating law of the State of Massachusetts subjecting the taking of real estate to certain restrictions, in order to prevent preferences in case of insolvency, we conclude that the judgments of the Supreme Court of the State of Massachusetts were right, and they are, therefore, in both cases affirmed.

LIABILITY OF OFFICERS AND DIRECTORS—CONSTITUTIONAL PROVISIONS.

United States Circuit Court, District of Washington, September 29, 1896.

MALLON *vs.* HYDE.

The provision in the Constitution of the State of Washington that officers and directors of banks receiving deposits with knowledge that the bank is insolvent shall be individually liable for such deposits, is self-executing.

An action under this constitutional provision may be maintained by a depositor; the right of action does not inure to the bank nor become an asset of the bank which a Receiver is entitled to control.

This was an action to recover money deposited in an insolvent National bank, commenced in the Superior Court of the State of Washington for Spokane county, and removed to the United States Circuit Court by the defendants. The complaint alleged that the defendants are officers and directors of a National bank now in charge of a Receiver appointed by the Comptroller of the Currency; that they each assented to the reception of the money on deposit, by the bank, with full knowledge on their part that the bank was then insolvent, or in failing circumstances. The petition for removal states that, by the plaintiff's statement of his case in his complaint, it appears that there is a Federal question involved, for that the action is brought to enforce against the defendants a provision of the Constitution of the State of Washington making any officer or director of a banking institution in this State, who shall receive or assent to the reception of deposits after he shall have knowledge of the fact that his bank is insolvent, individually responsible for deposits so received, which the defendants claim to be either not applicable to National banks, or in conflict with the laws of the United States. Argued and submitted upon a motion to remand, and upon a general demurrer to the complaint.

HANFORD, *District Judge:* The points advanced in support of the demurrer are: First, the constitution does not create a right of action in favor of an individual depositor whose money has been taken in by an insolvent bank, and, until there shall be supplemental legislation providing means to enforce the same, this section of the constitution lies dormant; second, all depositors similarly situated have equal rights with the plaintiff, and as they are all creditors of the bank, and represented by the Receiver, the right of action, if any, exists only in favor of the Receiver, for the benefit of all.

It is my opinion that the obvious intent and purpose of the people of this State,

as expressed in the section of the constitution under consideration, were to insure honesty in conducting the business of the moneyed institutions of the State, and the greatest possible degree of security to those who should become depositors therein; and to the extent of establishing permanently a rule of individual responsibility for losses resulting from bad faith, or deceit practised in dealing with customers of a bank, it was intended to not rely upon the legislature to make suitable laws. The section reads as follows (Article 12, § 12):

"Any President, director, manager, Cashier, or other officer of any banking institution who shall receive or assent to the reception of deposits after he shall have knowledge of the fact that such banking institution is insolvent or in failing circumstances, shall be individually responsible for such deposits so received."

This fixes individual responsibility clearly enough, and there is no necessity for legislation providing special means for its enforcement, since the general laws of the State are amply sufficient in affording a remedy by civil action for every case in which one person becomes legally responsible to another. The responsibility in such cases is not in favor of the State, nor the bank, nor its general creditors. It is for the benefit of those particular depositors whose money is taken under such circumstances as to constitute a fraud. The injury done by the fraudulent conduct of the bank officials is the basis of liability, and the injured party is the one entitled to redress. Therefore the right of action upon the liability does not inure to the bank, nor become an asset of the bank which a Receiver is entitled to control. This case is clearly distinguishable from *Wilson* vs. *Book* (13 Wash. 676, 43 Pac. 989), in which the Supreme Court of this State held that the additional liability imposed upon stockholders by the eleventh section of article 12 of the constitution is not a primary liability, but the stockholders of banking corporations are, to the extent prescribed, liable as sureties for the debts of the corporation, and that creditors can not sue them to enforce such limited liability without having first exhausted their remedy against the principal debtor, and that money collectible from stockholders belongs to the trust fund for the payment of debts, which a Receiver of an insolvent bank is entitled to receive and disburse. There is good reason for holding that the liability of stockholders, which was obviously intended to constitute a reserve fund to reinforce the capital of a banking corporation for the security of its creditors, should be recoverable by a Receiver appointed to take charge of its assets and settle with its creditors. I find no difficulty in bringing my mind to yield assent to the authority of that decision. But it does not appear to me to be applicable to a case involving responsibility to depositors for losses resulting from fraudulent concealment of the insolvent condition of a bank. Demurrer overruled.

TAXATION OF NATIONAL BANK STOCK—INJUNCTION—JURISDICTION OF FEDERAL COURT.

Circuit Court of the United States, Eastern District of Pennsylvania, September, 1896.

THIRD NATIONAL BANK OF PITTSBURG *vs.* MYLIN.

A National bank may maintain a suit in equity for an injunction to restrain State officers from collecting a tax illegally assessed upon its shares.

This was a suit in equity by the Third National Bank of Pittsburg against Amos H. Mylin, Auditor-General, and Samuel M. Jackson, Treasurer of the Commonwealth of Pennsylvania, to restrain them from collecting a tax assessed upon the shares of stock of said bank. Defendants filed a plea to the jurisdiction averring in substance that "these proceedings make, form and constitute an interference with the policy of the revenue laws of the Commonwealth of Pennsylvania," and that under the Act of March 18, 1811, the plaintiff had a remedy in the court of

Dauphin county, at Harrisburg. To this plea the bank filed a replication taking issue, and this was the only point argued.

ACHESON, *Circuit Judge:* It is hardly necessary to say that the merits of this controversy are not now to be considered. The plea goes only to the jurisdiction of the court. In disposing of it little need be said beyond a mere reference to some authorities, which, I think, are decisive against the plea. Undoubtedly the suit arises under the Constitution and laws of the United States, for the plaintiff's alleged rights for which protection is here sought are based upon the Fourteenth amendment to the Constitution, and upon section 5219 of the Revised Statutes of the United States. The construction and application of both are involved here. Most stress is laid upon the objection that this suit is really against the State of Pennsylvania, while not nominally so. But, according to the averments of the bill, the Act of assembly under which the defendants are proceeding is violative of the Fourteenth amendment to the Constitution, and also contravenes section 5219 of the Revised Statutes of the United States. If this be so, then the defendants, while claiming to act in their official capacities, are proceeding without lawful authority.

The case therefore falls directly within the principle of the decision of the Supreme Court of the United States in the case of *Osborn* vs. *Bank* (9 Wheat. 788), which was reaffirmed in *Pinnoyer* vs. *McConnaughy* (140 U. S. 1, 10, 11 Sup. Ct. 699), that, where grounds of equity jurisdiction exist, an injunction from a circuit court will lie to restrain a person who is a State officer from performing an act directed by an unconstitutional law of the State, when such act would destroy or violate the rights of the complainant.

Thus Mr. Justice Agnew, of the Supreme Court of Pennsylvania, sitting at *nisi prius*, held that the Auditor-General and Treasurer of the State could be restrained by injunction from collecting an illegal tax imposed by the State upon stockholders in a National bank (*Markoe* vs. *Hartranft*, 6 Am. Law Reg. [N. S.] 487).

A court of equity, at the suit of a National bank, will restrain the imposition and collection of an illegal State tax because of the trust relation in which the bank stands to its stockholders, and to avoid a multiplicity of suits (*Cummings* vs. *Bank*, 101 U. S. 153).

The present bill not only discloses these grounds for equitable relief, but also the further ground that a cloud upon the bank's title to real estate has been imposed or is threatened (*Union Pacific Railway Co.* vs. *City of Cheyenne*, 113 U. S. 516, 525, 5 Sup. Ct. 601).

The existence of a special statutory mode of redress under the law of the State is no bar to the equity jurisdiction of the circuit court of the United States (*Barber* vs. *Barber*, 21 How. 582, 592). To the foregoing authorities, which require the overruling of the plea, may be added the decision of the circuit court of appeals for this circuit in *Gregg* vs. *Sanford* (12 C. C. A. 525, 65 Fed. 151). And now, September 4, 1896, the plea is overruled, with leave to the defendants to answer the bill within thirty days.

LIABILITY OF STOCKHOLDER—TRANSFER OF STOCK—DELIVERY OF CERTIFICATES.

Supreme Court of Tennessee, October 28, 1896.

COX *vs.* ELMENDORF, *et al.*

Where a stockholder in a National bank transfers his stock and delivers the certificates thereof with a blank power of attorney duly executed to the President of the bank with a request that the President make the transfer on the books of the bank, and the President receives the same and promises to have the transfer made on the books, the transferrer will not be liable as a stockholder upon the subsequent failure of the bank, though the President neglects to make such transfer upon the books.

McALISTER, *J.:* On November 12, 1894, the First National Bank of Johnson City was adjudged insolvent by the Comptroller of the Currency, and complainant appointed Receiver of its assets. The capital stock of the bank was $60,000, divided into shares of the par value of $100 each. The bank was largely indebted, and in order to meet its liabilities the Comptroller of the Currency, under the provisions of the National Banking Act, ordered an assessment of the shares of stock belonging to the individual shareholders to the full measure of the capital stock of the company. This bill was filed by the Receiver against defendant Mrs. M. A. Elmendorf to enforce the collection of $2,000 assessed upon the defendant's stock in said bank. The bill charged that on Novemher 12, 1894, when the bank failed, the defendant Mrs. Elmendorf was the owner of twenty shares of stock of the par value of $100 each, amounting to the sum of $2,000, which stood upon the books of the bank in her name, and that she had failed and refused to pay the said assessment. The defendant answered, and denied that she was the owner of the stock at the time alleged. The court of chancery appeals found the facts to be as follows, viz.:

"The proof shows that prior to January 22, 1894, Mrs. Elmendorf was the owner of said shares of stock, but she claims that on that day she sold and transferred the stock to one Preas, Mrs. Elmendorf having agreed to sell her stock to Dr. Preas in consideration of his taking up, or rather assuming, a debt of $1,050 which she owed to the bank, and a debt of $250 which she owed to another bank, and paying her the residue in money; and, Dr. Preas having made the necessary arrangements with the respective banks, Mrs. Elmendorf, in company with a kinsman, Mr. Cure, went into the First National Bank of Johnson City on January 22, 1894, and stated to the President, Mr. Crandall, that she had sold her stock, and wanted to transfer it. Thereupon the following indorsement on the back of the certificate was signed, to wit: 'For value received, the undersigned hereby assign and transfer unto J. H. Preas the twenty shares of the within-mentioned capital stock, and do hereby constitute and appoint ——— to be ——— true and lawful attorney irrevocably for and in ——— name and behalf to make the necessary transfers on the books of the company. Witness my hand and seal at Johnson City, January 22, 1894. [Signed] M. A. Elmendorf. Witness: J. W. Cure.' She handed her stock certificate, with this appearing on the back of it, to Mr. Crandall, the President of the bank, and told him she wanted him to make a proper transfer to Dr. Preas, and fix it up all right; and he said, 'All right; I will attend to it.' As a matter of fact, however, he did not make any transfer upon the books of the company or upon the stock register, and the same day, after this transaction, Dr. Preas went into the bank, and by an arrangement between him and Mr. Crandall, President of the bank, the stock certificate was attached as collateral to the note of $1,050 which Dr. Preas executed in assuming the previous debt of Mrs. Elmendorf. He subsequently sold the stock to Mr. Penland, and it was attached to a note that Penland owed the bank, and was in that condition when the bank failed. The stock certificate on its face provided that it was transferable only on the books of the corporation in person or by attorney, in accordance with the by-laws of the corporation, and on surrender of the certificate. It is proper to say that at the failure of the bank Mrs. Elmendorf's name still remained upon the stock register among the rest of the stockholders."

The question presented for determination is whether, upon the facts stated, Mrs. Elmendorf is liable, as apparent owner of the stock, for the assessment made by the Comptroller of the Currency.

In the case of *Whitney* vs. *Butler* (118 U. S. 660, 7 Sup. Ct. 62), the question before the court was "whether, under the statute and the facts especially found, the defendants were liable to be assessed for the debts, contracts, and engagements of the bank. The statute declares that the capital stock of a National bank shall be

transferable on its books in such manner as may be prescribed in the by-laws or articles of the association; every person becoming a shareholder by such transfer succeeding in proportion to his shares to all the rights and liabilities of the prior holder (Rev. St. § 5139.)

The by-laws of this association provide that its stock shall be assignable only on its books, subject to the restrictions and provisions of the statute; that a transfer book be kept, in which all assignments and transfers of stock shall be made; that each certificate should state on its face that the stock is transferable only on the books of the bank; and that, when a transfer is made, the certificate shall be returned and canceled and a new one issued."

The court of chancery appeals found there had been no formal proof of the by-laws of the company in the present case, but that, for the purposes of this case, they assumed the statement in the stock certificate as sufficient proof of the by-laws upon this subject. In the case already cited Mr. Justice Harlan said:

"In the case before us the personal presence of defendants at the bank was not required in order to secure their release from liability as shareholders. Besides, the certificate of stock authorized them to act by attorney. Through their agents, the brokers who sold the stock, and through whom they received the money and paid for it, they surrendered the certificate and power of attorney to the President of the bank, he receiving them to acknowledge not only that defendants had parted with all title to the stock, and had been paid for it, but also that it had been purchased at public auction by Eager. He knew equally well that the surrender of the certificate and the delivery of the power of attorney and the certificate from the probate court could only have been for the purpose of having it appear, by means of a transfer on the books of the company, that Whitney's executors were no longer shareholders. The right to have the transfer made, and thereby secure exemption from further liability, was secured to the defendants both by the statute and by-laws of the bank. They did all that was required by law as preliminaries to such transfer. Nothing remained to be done except for some officer of the bank to make the necessary form of entry on its books. If, when the agents of defendants delivered the certificate and power of attorney to the President of the bank, the latter had given any intimation of a purpose not to make the transfer promptly, or had avowed any intention to postpone action until a sufficient amount of stock was obtained to fill Coburn's order, it may be that the failure of defendants to take legal steps to compel a transfer would, in favor of creditors of the bank, have been deemed a waiver of the right to an immediate transfer on the stock register. But no such intimation was given; no such avowal was made; no objection was made to the power of attorney as to the discharge of defendants from liability. So far as the records shows, nothing was said or done by the bank's officers to raise a doubt in the minds of defendants' agents that the transfer would be made at once."

The Court concludes, viz.: "We are of opiniont hat, within a reasonable construction of the statute, and of all the objects intended to be accomplished by the provision imposing liability upon the shareholders for the debts of National banks, the responsibility of the defendants must be held to have ceased upon the surrender of the certificates to the bank; that the delivery to its President of the power of attorney was sufficient to effect, and intended to effect, as that officer knew, a transfer of the stock on the books of the association to the purchaser."

In the case of *Snyder* vs. *Foster* (19 C. C. A. 414, 73 Fed. 136), it appeared that one Snyder subscribed for 50 shares of the stock of a National bank, borrowing the money to pay for them from Collins, the Cashier of the bank. As collateral security for the money so borrowed, Snyder indorsed over the certificate to Collins, and left it with him. A few months later, Snyder sold the stock to Collins for the amount of the loan and accrued interest, the certificate remaining in Collins' hands. The

bank was solvent at the time, and so continued for five years, during which Collins collected the dividends on the stock, as shown by the bank's dividend books; but the stock was never actually transferred to Collins on the books of the bank. The by-laws of the bank provided that dividends should be paid to the stockholders in whose name the stock should stand; that certificates should be issued by the President and Cashier, and that, when stock was transferred, the certificate should be canceled, and a new one issued. Long after the sale of Snyder's stock to Collins, the bank became insolvent. An assessment was made upon the stockholders, and the Receiver of the bank, finding Snyder's name as a stockholder on the books of the bank, brought suit against him. Collins was dead at the time of the trial. It was held by the United States Circuit Court of Appeals for the Fifth circuit that it might be inferred as a fact from the evidence that the bank had notice of the transfer of the stock by Snyder to Collins, and the termination of Snyder's relations to the bank as a stockholder, from which fact the legal presumption would follow that the bank would cause such acts to be done in relation to the transfer as its officers were called on to do, and that the jury should be permitted to draw such inferences. Judge Boarman, in delivering the opinion of the court in the case last cited, made this observation respecting the case of *Whitney* vs. *Butler*, to wit: "It seems to have been the purpose of the court in that case to ground the opinion largely, if not entirely, on the broad doctrine that a shareholder in good faith, who has done all that a prudent business man should do, will not be held responsible for the neglect and carelessness of an officer of the bank."

We think these principles are conclusive of this case, and that Mrs. Elmendorf, having sold her stock, and in good faith surrendered the certificate to the President of the bank, with a blank power of attorney attached, upon the promise of that officer that he would attend to the transfer, she is absolved from any liability incident to the subsequent ownership of that stock by other persons. Affirmed.

COLLECTIONS—INSOLVENCY OF INTERMEDIATE COLLECTING AGENT.

Supreme Court of North Carolina, Nov. 24, 1896.

NAT. CITIZENS' BANK OF NEW YORK *vs.* CITIZENS' NAT. BANK OF RALEIGH.

Where paper is indorsed "for collection" the bank receiving payment thereof is liable for the amount to the owner, unless it has remitted the proceeds to the bank from which it received the paper before it had knowledge of that bank's insolvency.

MONTGOMERY, *J.*: The drawer of the check lived in Raleigh, N. C., and the payees lived in New York city. The check was deposited by the payees in the plaintiff bank, in New York, and by the plaintiffs sent on to the Bank of New Hanover, at Wilmington, N. C., with indorsement, "For collection for account of National Citizens' Bank of New York," the plaintiffs. The check was sent by the Bank of New Hanover to the defendant bank, at Raleigh, with the additional indorsement, "For collection, account of Bank of New Hanover, Wilmington, N. C." The defendant bank entered a credit on its books to the Bank of New Hanover, for the amount of the check, fifteen minutes before the registration of the deed of assignment made by the Bank of New Hanover on account of insolvency. The money was collected on the same day the credit was given. The balance on the reciprocal accounts between the New Hanover Bank and the defendant bank, after the credit of the amount of the check, was in favor of defendants. The plaintiff bank and the Bank of New Hanover kept no reciprocal accounts. On the contrary, the plaintiffs would send to the Bank of New Hanover matters for collection, and when collected the New Hanover Bank would remit the proceeds to the plaintiffs. The New Hanover Bank did not have on its ledger any account with the plaintiff

bank. It kept only the record of its transactions with the plaintiffs on its collection register. Upon the facts (which his honor found by agreement), judgment was entered for the plaintiffs, and the defendants appealed from the judgment.

There was no error in the rendering of the judgment. The defendant saw, from the indorsements on the check, that it was the property of the plaintiffs, and that the New Hanover Bank was merely an agent to collect it for the plaintiffs. (*Boykin* vs. *Bank*, 118 N. C. 568.) If there ever had been any conflict in the decisions of this court on the subject-matter embraced in this opinion before the case of *Boykin* vs. *Bank*, *supra*, was decided, that opinion would seem to have resolved the doubt. It was held in that case, in substance, that, wherever it appeared on the face of a paper that it was in the possession of a bank for collection, the proceeds of the collection were the property of the owner, and that the actual collecting bank is liable to the owner in case of the insolvency of any intermediary bank which has received it for collection, unless the actual collector had remitted the proceeds, or its equivalent, to the bank from whom he received it, before he had knowledge of that bank's insolvency. Simply entering credits on mutual accounts between the actual collecting banks and their intermediaries will not protect the actual collector of such drafts and checks from the demands of the owner, under the circumstances of this case.

For their own convenience, it may be well for the banks and collecting agencies to observe such rules; but they will not be allowed to work injury and loss to owners of checks and drafts, who send them out to be collected and the proceeds returned to them. Of course, a bank which had received a check or draft from an agent bank of the principal would be protected, if it had sent to the agent, before the agent's known insolvency, or the principal's demand, the funds, or their equivalent, collected on the paper. We are aware that this is not the rule in all the States of the Union.

The counsel of the defendants read to us the opinion of the Supreme Court of Tennessee in the case of *Howard* vs. *Walker* (92 Tenn. 452), in which the opposite view of this subject is taken, but we will abide by our own decisions.

The contention of the defendants that the check was not the property of the plaintiffs can not be sustained. The complaint alleged that it was the property of the plaintiffs, and it was not denied in the answer, except by legal inference. The defendants averred that the title to the check, as a matter of law, passed out of the plaintiffs to the Bank of New Hanover, when the former sent it to the latter for collection.

This is not a sound proposition of law; for, as we have seen, the indorsement was restricted. The plaintiffs having been in possession of the check, and having alleged in their complaint that they were the owners of it, the presumption is that it was their property; and, this presumption not having been rebutted, the finding of his honor was correct. No error.

KNOWLEDGE OF OFFICER—WHEN NOT IMPUTED TO BANK.

Court of Errors and Appeals of New Jersey, November 17, 1896.

GRAHAM *vs.* ORANGE COUNTY NATIONAL BANK.

If an officer of a bank, who is also a member of its discount committee, take part in discounting a note made to him individually for an unlawful purpose in which he participated, his knowledge of such illegality is not imputable to the bank.

GARRISON, *J.*: The case upon which the court below directed a verdict for the plaintiff was this: Graham, the defendant in the suit, had made a note payable to and indorsed by G. W. Murray, which was discounted by the plaintiff. At the time the note was thus discounted, Murray, the payee of the note, was President of

the plaintiff corporation, and, together with its Cashier, constituted the discount committee. The defense was that Murray knew that the note was given to raise funds for an illegal purpose, and that his knowledge was imputable to the bank. The law upon the subject of imputable knowledge is laid down by this court in the case of *Willard* vs. *Denise* (50 N. J. Eq. 482).

In the case before us Murray did not act at all for the bank. His conduct was actuated wholly by personal reasons; and, if he knew that he was taking part in an unlawful transaction, the bank can not be charged by his guilty participation.

This disposes of the only error assigned. The judgment will be affirmed.

COLLECTIONS—FAILURE TO NOTIFY INDORSER OF DISHONOR—LIABILITY OF BANK.

Supreme Court of Wisconsin, November 24, 1896.

MERCHANTS' STATE BANK *vs.* STATE BANK OF PHILLIPS.

A bank receiving paper for collection is liable to its customer for any loss resulting to him by reason of its failure to give the indorser notice of dishonor.

The sum which the customer is entitled to recover of the bank is *prima facie* the amount of the notes.

Plaintiff, as indorsee of notes due August 4, sent them to defendant bank for collection. Prior to their receipt by defendant, the bank building was burned, but on August 1 the bank resumed business, and notified the maker of the notes. The notes were not paid at maturity, but defendant failed to protest them for non-payment. The notes were returned to plaintiff August 8, and the indorsers were on that day notified by plaintiff of the non-payment. *Held*, that the defendant, having undertaken the collection of the notes, is not excused from liability for its negligence by reason of the confusion consequent upon the fire.

The plaintiff was the indorsee of several promissory notes made by the Jump River Lumber Company, which were payable at the defendant bank in Phillips, and became due on August 4, 1894. On July 26, 1894, the plaintiff mailed the notes to the defendant for collection. On July 27, 1894, and before the notes were received by the defendant at Phillips, the entire city of Phillips, including the defendant's banking house, was destroyed by fire. Defendant's vault was not destroyed, and on August 1, 1894, the defendant resumed business, in a tenative way, in a temporary structure. The notes were received, and entered upon the defendant's collection register, and the maker notified on August 1, 1894. They were not paid at maturity, and the defendant failed to protest them for non-payment. On August 8, 1894, the defendant returned the notes to the plaintiff, who at once notified the indorsers of their non-payment. The indorsers denied liability on the ground of the failure to give them timely notice of non-payment, and refused to pay them. They were all solvent persons. August 22, 1894, the estate of the maker of the notes went into the hands of a receiver. The plaintiff had judgment for the amount of the notes. The defendant appealed.

NEWMAN, *J.*: Three questions are presented on this appeal: (1) Were the indorsers discharged of liability by the failure of the defendant to notify them of the dishonor of the notes? (2) Was the failure of the defendant to notify the indorsers negligent under the circumstances? And (3) was the plaintiff entitled to recover the whole amount of the notes? It is certainly the law that, in general, notice of the non-payment of negotiable paper at maturity must be given not later than on the next day after its dishonor. (2 Am. & Eng. Enc. Law, 414; Daniel, Neg. Inst. [4th Ed.] §§ 1038, 1039.)

Longer delay in giving the notice can be excused only when prevented by overwhelming calamity or unavoidable accident. (*Id.* §§ 1067, 1068.) It is evident that

no such cause prevented the defendant from giving such notice. The calamity which struck the defendant and the city of Phillips had nothing to do, apparently, with its failure to notify the indorsers. That was the work of a few minutes only, and directly in the line of the business which it had re-established after the fire. The indorsers were released by the failure to notify them of the dishonor of the notes. Probably it was within the defendant's option, under the circumstauces, whether it should undertake or reject the office of collecting these notes. But, having elected to undertake it, it was bound to the exercise of reasonable deligence in its performance. This it failed to do. This was negligence. The plaintiff is entitled to recover such sum as it has lost by reason of the defendant's negligence. That sum is, *prima facie* the amount of the notes. (Daniel, Neg. Inst. [4th Ed.] § 329.)

There was no evidence to mitigate damages. The indorsers were solvent; the maker is insolvent. It does not appear whether the maker's estate, now in the hands of a receiver, will pay any part of the note, nor how much it will pay. Perhaps it should have gone in mitigation, if it had been shown how much the dividends properly applicable thereto would pay. But no such proof was attempted. The plaintiff deposited the notes in court for the benefit of the defendant, so that it may be reimbursed so far as the proper dividends may go.

The defendant was not prejudiced by the failure of the plaintiff to proceed promptly against the maker. It does not appear that there was ground for an attachment by which advantage could be gained; and the time was too short to gain a preference by judgment and execution. No error is discovered. The judgment of the circuit court is affirmed.

NOTES EXECUTED BY CORPORATE OFFICERS—INDIVIDUAL LIABILITY—RECOVERY ON NOTE.

Court of Appeals of New York, October 20, 1896.

FIRST NATIONAL BANK OF CITY OF BROOKLYN *vs.* WALLIS, *et al.*

Where a note is that of the officers of a corporation individually, a bank discounting the same is not precluded from recovering against the makers, because it had first brought an action against the corporation thereon, deeming the note that of the corporation.

ANDREWS, *C. J.:* The character of the plaintiff as a *bona fide* holder of the note is not affected by any misconception it may have been under when it discounted it, as to the legal import of the promise; that is to say, whether the note was the obligation of the Wallis Iron Works, or of the persons who signed it in their individual names, with the addition of the names of their respective offices.

The bank discounted the note at the request of its customers, the payees, before maturity, paying full value, without inquiring as to the nature of the principal obligation, and it is entitled to enforce it against the defendants as individuals, if on its face it was their promise, and not the promise of the corporation of which they were officers.

It may be admitted that if the bank, when it discounted the paper, was informed or knew that the note was issued by the corporation, and was intended to create only a corporate liability, it could not be enforced against the defendants as individuals, who, by mistake, had executed it in such form as to make it on its face their own note, and not that of the corporation.

But, according to the rules governing commercial paper, nothing short of notice, express or implied, brought home to the bank at the time of the discount, that the note was issued as the note of the corporation, and was not intended to bind the defendants, could defeat its remedy against the parties actually liable thereon as promissors.

It appears that the bank discounted the note on the credit primarily of its customers, the payees, making no inquiry as to whether it was a corporate or individual obligation, and having no knowledge on the subject.

In law it was the individual note of the defendants (*Bank* vs. *Clark*, 189 N. Y. 308; *Bank* vs. *Clark*, 189 N. Y. 315), and the form of the promise is quite consistent with an intention to create an individual liability.

The fact that the bank sued the Wallis Iron Works on one of the notes of this kind is not a material circumstance. That note matured, and suit was brought thereon, subsequent to the discount of the note now in question. The view there entertained by the plaintiff of the legal nature of the obligation did not conclude the bank from enforcing the note now in question according to its real character.

If the fact of the former suit and the pleadings therein were admissible on the question of the knowledge of the bank, when it discounted the present note, that it was issued for and was intended as a corporate obligation, the existence of such knowledge has been negatived by the course of the trial.

We think the judgment is right, and it should, therefore, be affirmed. All concur. Judgment affirmed.

SET-OFF—COLLECTION.

Supreme Court of New Jersey, November 5, 1896.

STATE PEOPLE'S BANK AND TRUST COMPANY (Prosecutor) *vs.* TUFTS.

The relation between a bank and its general depositors is that of debtor and creditor, and the bank may set-off against a general deposit a debt due to it from the depositor.

A sent to a bank for collection a writing which appeared to be a note made by one of the bank's depositors, and indorsed by A to the bank for collection, payable to the order of A. Without trying to collect the note, the bank remitted to A the amount of the note, and charged the same to the depositor's account. The depositor really owed to A the amount of the note. *Held*, that the transaction operated as an assignment by A to the bank of the debt mentioned in the note, and that the bank could not recover from A the amount paid him, even though the note had been signed by the depositor's clerk without authority. (Syllabus by the Court.)

DIXON, *J:* This *certiorari* brings up a judgment of the Passaic common pleas, in rendering which the court, sitting without a jury, disallowed a set-off claimed by the defendant. This action of the court is now the subject of complaint. The set-off arose in this way: The plaintiff had sent to the defendant, an ordinary bank of deposit in Passaic, a note of which, with its indorsements, the following is a copy: "$67.50. Rutherford, N. J., February 13, 1894. For value received, April 1, 1894, after date, I promise to pay to the order of James W. Tufts, sixty-seven dollars and fifty cents. The consideration of this and other notes is certain soda apparatus and appurtenances described in contract between me and the said James W. Tufts, bearing date January 8, 1894, and which I have received of said James W. Tufts. Nevertheless it is understood and agreed by and between me and the said James W. Tufts that the title to the above-mentioned property does not pass to me, and that until all said notes are paid the title to the aforesaid property shall remain in the said James W. Tufts, who shall have the right, in case of non-payment at maturity of either of said notes, without process of law to enter and retake immediate possession of the said property, wherever it may be, and remove the same. C. W. Knape, per MacNeil. Payable at the ——— Bank. Due April 1, 1894." Indorsed: "Pay People's Bank and Trust Company, for collection on my account. James W. Tufts, Boston, Mass." Attached to above note: "James W. Tufts, Boston: No protest. If not paid, ascertain reasons. Take this off before presenting."

Without making any attempt to collect the note from Knape, and without any solicitation on the part of the plaintiff, the defendant on April 4, 1894, sent to the

plaintiff, in Boston, a draft on a New York bank for the amount of the note, and charged the same to the general account of Knape, who was a depositor in the defendant bank. Some time afterward Knape, on being informed of the charge, by the balancing of his bank book, stated to the defendant that the signature to the instrument had not been authorized and would not be sanctioned by him, and he demanded that the charge be annulled. This had not been done at the time of the trial, nor had Knape sued the defendant for the amount of the charge. The plaintiff was first notified of the situation several months after the payment. The defendant now seeks to recover from the plaintiff the amount paid.

In arguing the cause before us, counsel for the defendant treats the writing upon the back of note as a commercial indorsement of negotiable paper. But evidently it is not of that character, for it neither transferred the title of the note, nor guaranteed payment. It was a mere delegation of authority to the defendant to collect the amount of the note for the plaintiff. The claim of the defendant against the plaintiff cannot be tested by the peculiar rules of the law merchant, but must depend on the general principles of the common law. Under these principles the most for which the defendant can contend, as a basis for its claim that the plaintiff shall return the money which it voluntarily paid him, is that it acted upon a false representation which it had a right to believe and act upon. Hence the question arises, was it shown in the court below that such a false representation had been made? Now, it seems to us that the only propositions on which the defendant acted are these: That Knape owed the sum stated in the note, and that, if the defendant paid that debt to the plaintiff, it could offset the same against Knape's deposit. On these points we find in the case no room for controversy. All the evidence produced at the trial tended to establish the proposition that, when the note was sent to the defendant, Knape owed the amount thereof to the plaintiff for the very consideration mentioned in the instrument; the only dispute there being as to whether MacNeil had authority to sign a note therefor. When the plaintiff accepted from the defendant payment of that debt, it passed, as a chose in action, to the defendant, as legal owner, whether the instrument was a valid note or not. (Gen. St. p. 2591, section 340 of the practice act); *Gerli* vs. *Manufacturing Co.* 57 N. J. Law, 432, 31 Atl. 401) The instrument identified the debt, and the indorsement became operative as an assignment thereof. In that situation the defendant, being Knape's debtor for the amount on general deposit (*Pott* vs. *Clegg*, 16 Mess. & W. 321; *National Bank* vs. *Insurance Co.* 104 U. S. 541), and being his creditor for the amount mentioned in the writing, was legally entitled to set off the one debt against the other, and could be made to pay to Knape the balance only (Gen. St. p. 3109, "Set-Off"; *Bank* vs. *Hughes*, 17 Wend. 94; *Falkland* vs. *Bank*, 84 N. Y. 145; *Bank* vs. *Jones*, 119 Ill. 407, 9 N. E. 885).

This right the defendant exercised, and having thus applied the debt to the satisfaction, *pro tanto*, of what it owed Knape, it cannot recover the same from the plaintiff. The judgment below was right, and is affirmed, with costs.

REPLIES TO LAW AND BANKING QUESTIONS.

Questions in Banking Law—submitted by subscribers—which may be of sufficient general interest to warrant publication will be answered in this department.

A reasonable charge is made for Special Replies asked for by correspondents—to be sent promptly by mail. See advertisement in back part of this number.

Editor Bankers' Magazine: IONIA, MICH., Dec. 11, 1896.

SIR:—A sends B his check on the First National Bank of S—— for $100. B deposits the check in the First National Bank of I—— and receives credit for same. The bank receiving

the check sends it to the First National Bank of D——, who in turn sends it to the First National Bank of S——, on whom it is drawn. The latter bank receives the check, charges it to A's account, and it is duly returned to A with his vouchers at the end of the month marked paid. The First National Bank of S—— returns to the First National Bank of D—— its draft on its correspondent in New York, but before the draft reaches New York the First National Bank of S—— suspends payment. Query: On whom does this loss fall? There is no question that due diligence was used by all parties. B claims that his check has been paid and that as the First National Bank of D—— accepted the draft from the First National Bank of S—— that the loss should fall on the First National Bank of D—— in whose hands the draft was when the bank suspends; that the transaction so far as he is concerned is ended when his check is paid; that B and the First National Bank of I—— are also released and can not be made creditors of the First National Bank of S——. Was the check really paid if the draft sent in payment was not good?

F. A. SESSIONS, *Cashier.*

Answer.—The fault by which the amount of the check was lost appears to have been that of the First National Bank of D, which sent the check to the bank on which the same was drawn. There are a number of recent authorities which hold that the drawee bank is not a suitable agent to which to transmit the check for collection; and that if it is shown that the amount of the check could have been collected had an independent agent been employed, the bank forwarding the check will be liable for the loss. (*Merchants' Nat. Bank* vs. *Goodman*, 109 Pa. St. 422; *Drovers' Nat. Bank* vs. *Provision Co.* 117 Ill. 100; *First Nat. Bank* vs. *Fourth Nat. Bank*, 56 Fed. Rep. 967; *German Nat. Bank* vs. *Burn*, 12 Colo. 539.) In this case it appears that the collection could have been made had the check been sent to some other bank in S; and the First National Bank of D would therefore seem to be liable for the amount. But under the rule which prevails in New York and many other States B would not look to the First National Bank of D, but could hold the First National Bank of I, which in turn would have recourse over against its correspondent. (*Montgomery County Bank* vs. *Albany City Bank*, 7 N. Y. 459.) Under the rule of the Iowa courts, however, his remedy would be directly against the bank at fault. (*Guelich* vs. *Nat. City Bank*, 56 Iowa, 454.)

Editor Bankers' Magazine:

SPRINGFIELD, Mo., Jan. 6, 1897.

SIR:—Will you please inform me whether it would be a violation of the law for the Cashier of a State bank to endorse, as Cashier, the note of a customer and have the same discounted for him in another bank, when the same is done without risk or loss to the bank of which he is Cashier.

Answer.—It is apparent that the endorsement of such Cashier would be, so far as the bank is concerned, an accommodation endorsement; and the rule is well established that the officers of a corporation, whether a banking or other corporation, have no authority to execute or endorse paper for the accommodation of a third person. (Daniel on Negotiable Instruments, Sec. 386; *Aetna Nat. Bank* vs. *Insurance Co.* 50 Conn. 168; Morawitz on Corporations, Sec. 389.) It is plain therefore that the Cashier would have no right to make the endorsement indicated, and the bank taking a note so endorsed, with knowledge of the fact, could not hold the other bank liable upon the paper.

Editor Bankers' Magazine:

CINCINNATI, Ohio, Dec. 29, 1896.

SIR:—Where a Cashier of a National bank is employed by the year, and the bank fails, can he recover of the Receiver the amount of his salary for the unexpired part of the year.

A. B. C.

Answer.—It has been held that the Cashier of a National bank can not be chosen for any stated term; but he holds his office at the pleasure of the board of directors. (*Westervelt* vs. *Mohienstecker*, 53 BANKERS' MAGAZINE, 674; *Harrington* vs. *Bank*, 1 Thompson and Cook, 361.) As, therefore, the time of his employment is not definitely fixed, there is no ground upon which he could recover for any period beyond that in which he was actually engaged in performing the duties of Cashier.

PENNSYLVANIA BANKERS' ASSOCIATION.

SECOND ANNUAL CONVENTION, HELD AT PITTSBURG, DECEMBER 16 AND 17, 1896.

The Pennsylvania Bankers' Association, which was organized at Philadelphia, December 17, 1896, met in annual convention at the Pitttsburg Club Theatre, Pittsburg, December 17, the convention also continuing on the following day. In the absence of President R. H. Rushton, who was detained at his home in Philadelphia on account of illness, Thomas P. Day, Vice-President of the association, and Cashier of the People's National Bank, Pittsburg, presided.

After prayer by Rev. Mr. Young, of the First Presbyterian Church, Mayor H. P. Ford made an address welcoming the bankers to Pittsburg in cordial terms. Reuben Miller also addressed the bankers in behalf of the Pittsburg Clearing-House Association. In the course of his remarks he said:

From public speeches and in the press we too often hear and see the word banker used as if it were synonymous with robber or usurer; whereas, the truth is that the capital stock of our banks is in nearly every case an aggregation of small amount used and held by many individuals, and that the province and duty of the banker is to receive these small holdings as capital, and the other, and oftentimes larger amounts in deposit for the use of those, who, without such assistance, could not undertake to give employment to the many who constitute the bone and sinew of the land.

President Rushton's annual address was read by Mr. Day. It was in part as follows:

In the matter of membership the result of the first year has far exceeded the expectations of your officers. The names of 353 banks, bankers and trust companies appear upon its roster, which represents fully 50 per cent. of the active financial concerns of the State. In comparison with the field for work Group VIII. presents the largest membership figures, having 117 out of a possible 209, and Group VII. the lowest percentage, showing 21 out of 81, due to the delay in organization. The percentages of membership of the different groups, compared with the possible membership, are as follows: Group I, 37 per cent.; Group II, 40 per cent.; Group III, 48 per cent.; Group IV. 44 per cent.; Group V. 27 per cent.; Group VI. 50 per cent.; Group VII. 26 per cent.; Group VIII, 56 per cent.

The receipts of the association from dues amounted to $3,045, which sum has enabled the officers to push the work without embarrassment, and the close of the year's operations leaves a fair balance in the treasury. Thus far the dues have proved ample for the requirements of the association.

The work of the association is worthy of the best efforts of every person. In formulating and perfecting the rules by which the business of banking is to be conducted with economy, efficiency and safety, we shall not only be doing our duty to those we more immediately represent, but we will render most important service to the public. We know, from our individual experience, how absolutely true it is that there is no antagonism between capital and legitimate enterprise. It is our function to gather up and accumulate the surplus savings of the community, and to lend them out to those who can profitably make use of them. We are thus brought into touch with every branch of industry, and acquire an interest of our own in every other man's business. We share in their prosperity, and suffer with them in their adversity. By fostering enterprise; by lending credit to those worthy of confidence; by checking unwise speculation, and by refusing help to wild and hazardous schemes, we shall conserve and advance our own interests, and we will also be doing our part in promoting the prosperity of the people of Pennsylvania.

The reports of the secretary and treasurer were then read. The treasurer's report follows:

TREASURER'S REPORT.

To the Pennsylvania Bankers' Association:

Gentlemen—I have the honor to submit the following report of my receipts and expenditures during the past year:

Received from banks and bankers—	
256 at $10 annual dues	$2,560.00
97 at $5 annual dues	485.00
Total	$3,045.00
Disbursements as per accompanying vouchers	2,533.99
Balance on hand	$511.01

Respectfully submitted,

WM. L. GORGAS, *Treasurer.*

Resolutions were offered by William Hackett, of Easton, relating to the recommendations in the Annual Report of the Comptroller of the Currency, and referred to the council of administration. The resolutions were subsequently withdrawn by Mr. Hackett.

Col. Hugh Young, National Bank Examiner of the Pittsburg district, delivered an interesting and valuable address on "The Troubles and Anxieties of Bankers."

J. T. Brooks, Vice-President of the Pennsylvania Railroad Co., read a paper favoring the issue of all credit paper by the banks instead of by the Government.

Resolutions of regret for the absence of Comptroller Eckels, and expressing appreciation of his eminent services as Comptroller, were offered by Mr. Hackett and were adopted.

The following resolutions were offered by James H. Willock:

Resolved, That it is the sense of this association that the following changes should be made in the existing law:

First—The provisions of the Act of July 12, 1892, imposing limitations upon the reduction and increase of National bank circulation, should be repealed.

Second—The annual tax on circulating notes of National banks should be reduced from one per cent. to one-quarter of one per cent.

Third—National banks should be permitted to count the notes of other National banks as part of their legal reserve.

Fourth—National banks should be permitted to issue circulating notes to the par value of the bonds deposited, and such notes to be redeemable at the United States Treasury and their own counters in gold coin.

Fifth—United States legal-tender notes and Treasury notes of 1890, now in the Treasury, should be cancelled and destroyed forthwith; and, as fast as new circulation is taken out by National banks hereafter in excess of the amount now outstanding, the remaining United States and Treasury notes should be redeemed and not reissued.

Sixth—The recommendations of the Comptroller of the Currency, in his recent annual report to Congress, that in places of less than 2,000 inhabitants National banks should be permitted to organize with a capital stock of not less than $25,000, with a corresponding reduction of the United States bonds required to be deposited with the Treasurer, and that in towns and villages where the population does not exceed 1,000 inhabitants, and where no National bank is established, National banks may be permitted to establish branches, under proper regulations and restrictions, have our hearty approval.

After considerable discussion the fourth section of the resolution was amended to make the notes redeemable at the banks' own counters and not at the Treasury.

The form of statement from borrowers adopted by Group IX. of the New York State Bankers' Association was adopted by the convention.

SECOND DAY'S SESSION—BANQUET.

The first business of the second day's session was the fixing of a time and place for holding the next convention. It will be held at Williamsport, in September.

The committee on nomination of officers prepared the following report, which was adopted:

President—Thomas P. Day, Cashier People's National Bank, Pittsburg.

Vice-President—William Hackett, Cashier Easton National Bank, Easton.

Secretary—A. D. Clark, Cashier Kane Bank, Kane.

Treasurer—S. R. Shumaker, Cashier First National Bank, Huntingdon.

The following delegates were chosen to represent the association at the next convention of the American Bankers' Association:

James C. Pinkerton, Assistant Cashier, Bank of North America, Philadelphia.

James H. Willock, President, Second National Bank, Pittsburg.

R. M. Henderson, President, Carlisle Deposit Bank, Carlisle.

H. C. Parsons, President, West Branch National Bank, Williamsport.

J. J. Foulkrod, Cashier Manayunk National Bank, Philadelphia.

David Jameson, Cashier Citizens' National Bank, New Castle.

J. A. Herron, Alexander & Co., Monongahela City.

D. S. Kloss, Cashier First National Bank, Tyrone.

The thanks of the convention were extended to the Duquesne and Pittsburg Clubs, for offering the use of their club houses, and to the Pittsburg Clearing-House Association, and to the presiding officers for their fidelity in administration.

After the business session the bankers visited East Pittsburg, Braddock and Homestead. At East Pittsburg the party took lunch at the club house, as the guests of George Westinghouse, after a tour of the Westinghouse industries had been made. The Edgar Thomson and Homestead steel works were also inspected.

The Pittsburg Clearing-House Association tendered a banquet to the delegates, at the Monongahela House, on Wednesday evening, December 16, which was a most enjoyable feature of the convention. W. R. Thompson acted as toastmaster, and introduced the several speakers of the evening in a particularly felicitous manner.

No Gold Certificates.—The following letter from the Secretary of the Treasury, addressed to Franklin Haven, President of the Merchants' National Bank, Boston, was made public on Dec. 14:

Sir:—Replying to your favor of the 24th of November, written in behalf of the Boston banks, asking for the issue of gold certificates, under the authority granted in section 12 of the Act of July 12, 1882, I am not yet prepared to give the necessary order.

After the reserve has once fallen below one hundred millions, and the issue of such certificates has been stopped, it is not certain that the Secretary of the Treasury, especially in view of existing conditions, would be justified in resuming their reissue. It has been the experience of the department in the past that the normal increase of the gold reserve caused by the exchange of paper currency for gold is checked by the issue of gold certificates, and in fact upon various occasions considerable amounts of gold have been withdrawn by the presentation of notes for redemption and immediately redeposited in exchange for gold certificates. Moreover, the House of Representatives in the Fifty-third Congress, at its third session, passed a bill discontinuing their issue entirely, and it is the intention of the department to present the subject again at a very early date. As the amount of gold reserve is largely determined from time to time by the available amount of paper in circulation, it seems inadvisable, at this time especially, to increase the volume of that currency by the issue of gold certificates.

J. G. Carlisle, *Secretary.*

Recommendations in regard to legislation on this subject will be found in the Annual Report of the Secretary of the Treasury, printed elsewhere in this number.

Banking Legislation.—On January 11 the House passed the following: To amend the Act authorizing the appointment of receivers of National banks; providing that no National bank shall be organized in cities of 50,000 inhabitants with less than $200,000 capital; in cities of 30,000 with less than $100,000; in cities of 6,000 with less than $50,000, and in cities of 3,000 with less than $20,000.

WORLD OF FINANCE.

CURRENT VIEWS ON MONETARY AFFAIRS.

SOUTHERN BANKING NEEDS.

"The Evening Post" (New York) has been carrying on an interesting discussion of this topic in recent issues. In its correspondence some of the underlying reasons for the popularity of the free-silver idea have been pointed out. These are said to be the alternating plethora and scarcity of currency at certain seasons, and the inability of the farmers to secure loans on real estate. It is cited that a farmer will be refused a loan by a National bank on real estate security, on the ground that such loans are illegal. He is forced to go to a broker and get the money, paying 8 or 10 per cent. But the broker, who is in good credit at the bank, easily procures the money at 6 per cent.

A Southern correspondent of the "Post" says:

"Go into any country district in those sections and you will find that neighborhood trade goes on mostly without money. Payments are largely made in kind. Exchanges of service are effected by a loose and costly credit system revolving between the farmers and the cross-roads store. If there is a bank in the country town it is an agency by which the rich men of the locality can lay out their money at interest. Money may be borrowed on mortgages and perhaps some business accommodations can be obtained by traders, but of banking as an agency for financing the processes of agricultural production there is none. * * *

I have yet to meet the man who would not acknowledge that the quality of universal circulation at par possessed by National bank notes is a great improvement over the old State bank system. The true reason why the National bank system is disliked is that it is not really National in its provision of banking facilities. * * *

As for those who think that the first duty is to get rid of the greenbacks, let me ask them whether an instance can be found where a mass of Treasury notes which have taken the place of money as a circulating medium have been retired except in connection with an adequate provision of bank issues. At the close of the War of 1812 the operations of the Government were clogged and the whole fabric of industrial relations deranged by the outstanding issues of Treasury notes. The problem of disposing of them was solved by Alexander James Dallas in establishing the second Bank of the United States. As a matter of practical politics such a problem can be solved in no other way. Provide for the money supply and you have a free hand, for the people do not bother about the source of the supply if as a matter of practical experience they find sufficient forthcoming for reasonable needs. But until such provision is made it is not at all likely that any new attempt to retire the greenbacks will be any more successful than previous attempts have been. The way to cure our financial ills is by a reform of the National banking system, and I do not believe there is any other way."

The retirement of the Government legal-tender paper is only a preliminary step toward the complete reformation of the currency. To postpone the settlement of this issue will be to invite a renewal of the free-silver agitation which has so long vexed the people. Popular opinion has decided for the gold standard, and it is the immediate duty of Congress to make the verdict effectual.

THE BEST SYSTEM OF BANKING.

The National banking law, in my opinion, has afforded us the best system of banking ever inaugurated, and this same law modified, so as to admit to its provisions the State banks of the country, will be the best foundation upon which to build a currency for the future.—*John W. Fuxon, First National Bank, Chattanooga, Tenn.*

NO HALF-WAY MEASURE WILL DO.

If experience can teach any lesson, it is that it would be an act of supreme madness to temporize further with financial folly. The way to cure the fiat money delusion is not by being subservient to it, but by reaching and removing the grievances which give to it the strength which makes it dangerous. The country needs a safe and stable banking system which will furnish an adequate supply of currency and will meet all the requirements of coin redemption. To obtain this reform no half-way measure will do.—*Pittsburg Chronicle-Telegraph.*

HAVE BRED EXTENSIVE DISASTER.

They who think Government legal-tender notes the cheapest form of credit currency have only to estimate the public and private losses of three years of distrusr and depression, and the infinitely greater losses we have escaped so narrowly. No shock of private credit ever bred disaster so extensive. It is the problen of the next generation to take the Government out of its perilous position as a great bank of issue, with inadequate reserves.—*Portland Oregonian.*

AN IMPORTANT ISSUE.

The solid South is broken, even the color line is broken. It is the most hopeful period that I have witnessed since the Civil War. Right-minded men may now lay away their prejudices with the struggle that just ended. Find out wherein we may reconstruct the financial system of the country, and then join together, and by the force of united public opinion bring about the removal of the artificial construction to our mutual benefit. Of all the issues which must come to the front in the immediate future, I believe that the reconstruction of the banking system is the most important. Had that been undertaken when it became so manifest to the few, as it did a few years since, we should have had no silver craze, or we might have been saved the disaster and panic of recent years.—*Edward Atkinson.*

BANKS AND THE CREDIT CURRENCY.

The common remark is heard, "If the Treasury notes shall be retired, money will be made scarce, and if bank notes are substituted, the bankers will control the volume of money." Mere nonsense! The Treasury notes are not money. They are credit. And credit of the costliest kind. The country has sacrificed hundreds of millions to maintain it. Now, the rational way is to substitute another kind of credit for Government credit. Substitute notes issued by responsible persons, whose business it will be to redeem them—thus relieving the Government of the burden. Tax private credit with this duty, instead of throwing it upon the public Treasury. For government has not that kind of credit which is available for the banking business. But there is immense private credit. It ought to be used; and, used, it ought to be held to strict accountability, under Government regulations. Then credit currency would be abundant enough. Observe that notes are but credit currency, whether issued by the Treasury or by banks. And credit currency must always be supported by the party that has issued it. Maintenance of the national Treasury as a bank of issue costs the country immense sums. The Treasury should be taken out of the banking business, and private capital should be called in as a basis of credit.—*Portland Oregonian.*

ANNUAL REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
WASHINGTON, D. C., December 15, 1896.

SIR:—I have the honor to submit the following report:

RECEIPTS AND EXPENDITURES.

Fiscal Year 1896.

The revenues of the Government from all sources for the fiscal year ended June 30, 1896, were $409,475,408.

The expenditures for the same period were $434,678,654, showing a deficit of $25,203,245.

In addition to the ordinary revenues collected during the year the cash in the Treasury was increased by the following sums: From the sale of one hundred million four per cent. thirty year bonds issued under Act of January 14, 1875, $111,166,246, and from the issue of four per cent. bonds in liquidation of interest accrued on refunding certificates converted during the year, $4,130, making a total of $111,170,376. The securities redeemed during the year on account of the sinking fund were as follows:

Loan of 1882	$3,200
Loan of July and August, 1861	500
Loan of July and August, 1861, continued at 3½ per cent	2,000
Loan of 1863	500
Funded loan of 1881	3,200
Funded loan of 1891	58,150
Oregon war debt	50
Fractional currency and notes	8,283
National bank notes	5,257,466
Total	$5,333,349

As compared with the fiscal year 1895 the receipts for 1896 increased $19,102,205. There was a decrease of $4,015,852.21 in the ordinay expenditures.

Fiscal Year 1897.

The revenues of the Government for the current fiscal year are thus estimated upon the basis of existing laws:

From customs	$148,000,000
From internal revenue	150,000,000
From miscellaneous sources	20,000,000
From postal service	89,798,120
Total estimated revenues	$407,798,120

The expenditures for the same period are estimated as follows:

For the civil establishment	$107,000,000
For the military establishment	56,000,000
For the naval establishment	31,000,000
For the Indian service	11,500,000
For pensions	140,000,000
For interest on the public debt	37,000,000
For postal service	89,798,120
Total estimated expenditures	$472,298,120
Or a deficit of	64,500,000

Fiscal Year 1898.

It is estimated that upon the basis of existing laws the revenues of the Government for the fiscal year 1898 will be $421,227,076.

The estimates of appropriations required for the same period, as submitted by the several executive departments and offices are, exclusive of sinking fund, $466,946,047, or an estimated deficit of $45,718,970.

The foregoing estimates of receipts and expenditures for the fiscal year 1898 are made upon the assumption that there will be no substantial change in existing business conditions, and that the present scale of public expenditures will not be reduced. Such estimates, even when made under the most favorable circumstances, involve so many elements of uncertainty that they can be regarded only as showing probable results, but the difficulty of reaching satisfactory conclusions, especially as to the amount of receipts, is greatly increased

at the present time by the unsettled condition of business, and the impossibility of foreseeing the changes that may occur before or during the year beginning on July 1, 1897. If our ordinary business activity should be resumed, and the consumption of articles subject to taxation should increase to its normal proportions, the receipts for that year will of course be much larger than is here estimated, and there may be in fact no deficiency in our revenues.

Operations of the Treasury.

According to the report of the Treasurer of the United States, the total available assets of the Treasury at the opening of business on July 1, 1895, were $812,627,722. Of this sum $579,247,863 represented deposits held for the redemption of outstanding certificates and Treasury notes, and the remainder, amounting to $233,379,859, constituted the general fund. At the close of business on June 30, 1896, the deposits held for the redemption of certificates and Treasury notes were $547,330,973, and the general fund $308,354,348, making a total of $855,685,321.

The aggregate receipts for the year as shown by the warrants, including the ordinary revenues, the proceeds of loans, and the deposits for certificates, were $820,852,810. The corresponding disbursements were $748,369,469. In the fifteen months ending with September the redemptions of United States notes and Treasury notes in gold amounted to $192,972,205. The net gains of gold to the Treasury during the same period, exclusive of the proceeds of the sale of bonds, were $98,138,902. Uncurrent gold and silver coins of the face value of $5,452,724 were transferred during the year from the Treasury to the mint for recoinage. The redemptions of National bank notes were nearly $108,000,000, the largest in ten years, and with the exception of three years, the largest since 1879.

Statistics of Foreign Commerce.

The following table, prepared by the Bureau of Statistics of this department, exhibits the principal features of the trade returns for the fiscal year 1896.

	1895.	*1896.*	+, *Increase.* −, *Decrease.*
Imports:			
Merchandise: Dutiable	$363,233,795	$369,757,470	+$6,523,675
Free	368,736,170	409,967,204	+41,231,034
Total	$731,969,965	$779,724,674	+$47,754,709
Per cent. dutiable	50.4	52.6	
Gold	$36,384,760	$33,525,065	−$2,859,695
Silver	20,211,179	28,777,186	+8,566,007
Exports:			
Merchandise: Domestic	$793,302,599	$863,200,487	+$69,897,888
Foreign	14,145,566	19,406,451	+5,260,885
Total	$807,538,165	$882,606,938	+$75,068,773
Gold	$66,468,481	$112,409,947	+$45,941,466
Silver	47,295,286	60,541,670	+13,246,384
Imports for consumption	$731,162,091	$759,694,084	+$28,531,993
Duties paid	147,901,218	156,104,599	+8,203,381
Ad valorem of duties:			
On dutiable per cent.	41.75	39.94	
On free and dutiable "	20.23	20.55	
Tonnage: Entered tons	19,294,915	20,987,046	+1,692,131
Cleared "	19,750,546	21,300,843	+1,550,297

The most gratifying features of this comparison of trade in the two years are to be found in the exports of domestic produce and merchandise, and in the revenue from custom duties on imports. It was in 1880 that the value of domestic exports passed for the first time the sum of $800,000,000, and only three times was that figure attained in the ten years from 1880 to 1889. Since 1890 the value of exports has not fallen below $830,000,000, except in the single year 1895. This increase in the aggregate value of exports has occurred in spite of a general and remarkable decline in the prices of the articles exported—a decline that has with few exceptions affected the entire range of domestic product. The conditions under which $863,200,000 were exported in 1896 are not unlike those of 1891, when the domestic exports were $872,200,000; but the excess of exports over imports in 1891 was only $27,354,087, while in 1896 it was $83,475,818. So large an excess of exports prepared the way for rates of foreign exchange more favorable to this country, and contributed largely to the recent heavy movement of gold from Europe to the United States in settlement of the trade balances. While the export of gold during the

fiscal year 1896 was greatly in excess of the import, the import in 1897 promises to more than turn the scale in favor of this country.

In 1860 the value of domestic manufactures exported was $40,345,892, constituting about one-eighth of the total exports of domestic merchandise. In 1876 the value of this class of exports reached $100,000,000, and in the following year attained $133,963,549. From that year until 1890 there was little change in this value. From 1890 to 1893 there was a growth of about $20,000,000, and from 1893 to 1896 nearly $70,000,000 have been added—a remarkable increase, and making the manufactures more than twenty-six per cent. of the entire domestic export. The details of this movement will be found in the tables printed by the Bureau of Statistics of this department in the annual report on "Commerce and Navigation of the United States."

The average ad valorem rate of duties, under the tariff law of 1890, was about fifty per cent. The ad valorem rate in 1896 was 39.94 per cent., producing a revenue of $156,104,599 from imported goods. Imported sugar yielded $30,808,140.

The Currency.

The redemption of United States notes and Treasury notes in gold during the fiscal year amounted to $158,655,956 and the total exports of gold amounted to $112,409,947. During the months of August, September, October, November, and December, 1895, the withdrawals of gold from the Treasury by the presentation of notes for redemption amounted to $87,624,575; and on the 6th day of January, 1896, the reserve having been reduced to $61,251,710, a circular was issued calling for subscriptions for $100,000,000 in United States four per cent. bonds of the same date and character as those sold in February, 1895. The result of this was a sale of bonds to the amount of $100,000,000, maturing thirty years from February 1, 1895, bearing interest at four per cent. per annum, for which there was paid into the Treasury in gold coin and gold certificates on account of principal, premium, and interest, the sum of $111,166,232.65, making the average price $111.166, and the average rate of interest received by the purchasers 3.394 per cent. per annum.

Since March 1, 1893, United States bonds to the amount of $262,315,400 have been issued and sold for $293,481,894.90 in gold, while during the same time notes have been redeemed in gold to the amount of $457,039,855, and on the first day of December, 1896, there was free gold in the Treasury to the amount of $131,510,352. Since the resumption of specie payments on the 1st day of January, 1879, United States notes to the amount of $470,490,987, and Treasury notes issued under the Act of 1890, to the amount of $86,428,881, making $556,919,868 in the aggregate, have been redeemed in gold, and since August 1, 1893, Treasury notes to the amount of $35,121,722 have been redeemed in silver, and the notes so redeemed have been cancelled and retired from circulation.

Making no deductions on account of the loss or destruction of notes, the total amount of United States currency in existence on the 1st day of December, 1896, was $468,358,296, consisting of $346,681,016 in United States notes, and $121,677,280 in Treasury notes of 1890, and, consequently, it appears that the entire volume of such notes has been once redeemed in gold, and more than $98,561,000 have been twice redeemed.

Retirement of the Legal-Tender Notes.

In former communications I have called the attention of Congress to this subject and have earnestly urged the necessity for early and effective legislation to provide for the permanent retirement of these notes as the only certain means of securing the stability of our currency and relieving the Government from periodical financial embarrassment, and, although I can add but little to the suggestions heretofore made, the matter is, in my opinion, of such vital importance as to justify a recurrence to it in this report. Our experience since the resumption of specie payments has so thoroughly demonstrated the impolicy of attempting to maintain the circulation of these notes as a permanent part of our currency, that further argument upon the question seems to be unnecessary, except for the purpose of again pressing the subject upon the attention of Congress and urging the prompt adoption of such measures as will, within a reasonable time, elimate this element of weakness from our system.

The use of these notes as a circulating medium compels the Government to provide a large gold reserve for their current redemption, and as they are reissued when redeemed, such reserve must be replenished from time to time, in order to afford the public a reasonable assurance that no default will be made in the discharge of our public obligations. The difficulty of procuring gold for this purpose is greatly increased at the very times when its possession is most necessary, and, consequently, the Government, being at such times entirely deprived of gold receipts from the ordinary sources of revenue, is compelled to issue and sell bonds upon terms less favorable than might be procured under other circumstances. The annual interest upon the addition to the public debt which has been made to procure and maintain the reserve amounts to $16,312,616, and the aggregate of the principal and interest

at the maturity of the bonds will be more than $841,000,000, and yet the notes themselves, on account of which this enormous indebetdness has been incurred, will, if our present policy is maintained, remain unpaid. But it can not be safely assumed that this will be the whole measure of the burden imposed upon the people; because, if provision is not made for the cancellation of this currency, it is reasonably certain that emergencies will hereafter arise, from time to time, compelling the issue and sale of additional bonds to replenish the reserve, thus increasing our interest-bearing debt, without in the least diminishing our obligations on account of the notes.

The maintenance of a policy which necessarily imposes upon the Government the burden of furnishing gold at the public expense to all who may demand it for use or hoarding at home, or for export to other countries, can not be justified upon any ground of expediency or sound financial principle, and even if the periodical and frequently recurring demands for gold did not weaken the foundations of our entire currency system, thus impairing confidence and depressing business, it would nevertheless be the duty of all who are charged with any degree of responsibility for the adoption of proper financial methods to insist upon the reformation of our laws on this subject at the earliest possible day. The issue and redemption of circulating notes is not a proper function of the Treasury Department, or of any other department of the Government. While the Government has power to borrow money, it is not its duty to issue public obligations merely for the purpose of providing a paper currency for use in the transaction of business, nor has it the constitutional power, in my opinion, to make its promises legal tender in the payment of private debts. Such a policy, even if sanctioned by the Constitution, instead of imparting strength and stability to our currency system, seriously endangers it by the introduction of political and partisan considerations into the management of a subject which ought to be regulated entirely by the business interests of the people and by the laws of trade and the principles which control honest commercial intercourse.

Although the actual ability of the Government to redeem its notes promptly in gold coin may be undisputed, still the question whether they will be or ought to be so redeemed must always be open to public discussion, and it is well known that the constant agitation of this question during the past few years has upon several occasions greatly imperilled the safety of our entire currency system. So long as the United States notes remain in circulation, questions as to the mode snd manner of their redemption, and as to the means of procuring and maintaining a coin reserve for that purpose, will be made political issues, and so long as these questions remain in politics public confidence in the stability of our currency must be more or less disturbed. Even if the agitation of these questions affected only the value of United States notes, the consequences would be sufficiently serious to justify a demand for their permanent retirement, but the character of our currency is such that whatever creates a doubt or suspicion concerning their prompt redemption in gold on presentation, necessarily impairs confidence in the whole volume of our circulation and inflicts much greater injury upon the public than could possibly result from the failure of ordinary banking institutions to redeem their paper. Every menace to the gold reserve, and every manifestation of a formidable public sentiment in favor of the redemption of our notes otherwise than in gold coin, at once alarms the whole business community, depresses trade and industry, and impairs the value of our public and private securities in all the markets of the world. There is but one absolutely certain way to remove this delicate and dangerous question from our party politics, and that is to retire and cancel the notes. All attempts to hoard them permanently by the Government must fail, for the obvious reason that our people will not consent to be taxed merely for the purpose of accumulating and holding a large and useless surplus in the Treasury. Besides, the notes must be withdrawn from circulation in order to be hoarded, and when withdrawn from circulation, it would be far more advantageous to the public to cancel them than to keep them on hand as a constant temptation to indulge in unnecessary and extravagant expenditures.

Future Dangers Prophesied.

We must not be deluded into a feeling of security by the fact that there has been a suspension of gold withdrawals during the last few months and a large accession to our stock of gold from abroad during the same time, because there is no sufficient reason to believe that this condition of affairs will be permanent, if our existing system is maintained. The favorable change in the rates of exchange which stopped withdrawals and exports and turned the current of gold shipments in our direction was due to causes having but little, if any, connection with our actual or prospective financial situation. These causes were temporary in their character, and can not reasonably be expected to operate in our favor for any great length of time while our currency remains in its present unsatisfactory condition. Fluctuations in the rates of exchange are producted by causes beyond the control of official power,

and one of the misfortunes of our present situation is that whenever these rates reach a point at which it is more profitable to export gold than to purchase bills for the settlement of our balances abroad, the Government is compelled to furnish the gold, or fail to maintain the standard of value established by law; in fact, the abandonment of that standard, and the legal or practical recognition of silver as the basis of our monetary system would not relieve the Government from the obligation to procure coin by the issue of bonds, or otherwise, for the redemption of its notes. Until the notes are permanently retired, or the obligation to redeem in coin is wholly repudiated, a large reserve must be provided, and this reserve, whether it consists of gold or silver, being subject to the demands of all who desire to exchange notes for coin, must be replenished from time to time by such means as the Government is able to command. No system of coinage that can be devised will furnish the Government with either gold or silver, unless it pays for it with means already collected by taxation, or by contracting an indebtedness to be paid by the people in the future.

I am thoroughly convinced that the retirement and cancellation of United States notes of both classes, under such reasonable limitations and restrictions as to time and methods as Congress may see proper to prescribe, or as a prudent Secretary of the Treasury would adopt in the exercise of his official discretion, would not result, either permanently or temporarily, in an injurious contraction of the currency. No Government, however despotic, can prescribe the exact amount of currency its people shall use in the transaction of their business, and every attempt to regulate this subject by arbitrary rules in the form of legislation, or otherwise, is a departure from true economic principles. The people, if left free to conduct their business affairs in their own way, will always decide for themselves how much money they need, and, unless prevented by artificial obstructions, the necessary amount will always be supplied either from their own resources at home, or through exchanges abroad. The volume of business transacted determines the amount of money and credit required, and whenever the volume of business demands an additional supply of money or an extension of credit, the demand will certainly be complied with, provided the laws do not interfere to prevent it. As rapidly as our notes are redeemed and canceled, gold, or a currency as good as gold, will take their places in the circulation, if the interests of the country require it.

With a liberal commercial policy, promoting the profitable introduction of our large surplus products into the markets of other countries, and a sound currency system, promising safe investments for foreign capital in our domestic industries, we may confidently rely upon the operation of the natural laws of trade and finance for an abundant supply of good money to transact all the business of the people and fully develop the great resources at our command. As soon as the resumption of specie payments had become assured, and the agitation of that question had ceased, gold began to flow into this country in large amounts, and from 1878 to 1881, both years included, our net gain from imports alone was $179,748,592, but in addition to this, our available stock of this metal was considerably increased by our domestic production and by the renewed use of a great part of the coin previously hoarded by our people on account of its superiority in value over a depreciated paper currency. For a series of years there had been deficient crops in Europe, and the sale of our grain and provisions in foreign markets created a very large excess of exports of merchandise over imports, culminating in 1878 in a balance in our favor of $305,139,642, the largest that ever existed in a single year. No such balance has ever been approached in any year since, except during the current calendar year 1896. In eleven months the excess of exports of merchandise over imports has been $266,086,709; and to this should be added the net exports of silver, $44,985,015, making a total of $311,071,724, or nearly six million dollars more than the highest amount for any previous period of twelve months. It is scarcely possible that such changes can occur in the course of our international trade during the next few years as to prevent a large annual balance in our favor, and if these favorable results continue to be realized, and our currency system shall be placed upon a sound basis, experience and reason alike justify the conclusion that very considerable amounts of gold must be sent here to pay for our exported products, or that, even if this should not be the case, the demand upon our existing stock will cease, and our own production, amounting to not less than $45,000,000 per annum, will be permanently added to the volume of our circulation.

But without a reformation of our currency we can not safely rely upon permanent accessions to our stock of gold from abroad in settlement of trade balances in our favor, nor can we hope even to retain permanently the stock already in the country, as is conclusively shown by the experience of the last four years. During the four years from 1893 to 1896, both inclusive, our exports of merchandise and silver exceeded our imports by the amount of $376,408,057, and yet, during the same time our net exports of gold amounted to $201,003,708; or, in other words, we paid during this time to the people of other countries, $577,411,765 in merchandise and in silver and gold. Being a debtor nation, our favorable balances of trade will not bring us gold, or any other form of money, so long as we maintain a currency of doubtful value of stability, or continue an agitation which alarms foreign investors, and induces

foreign creditors to demand the payment of their claims. Under such circumstances, all our balances are absorbed by the withdrawal of previous investments and the collection of previous debts.

Authority to Issue Bonds.

In my last annual report it was recommended that the Secretary of the Treasury should be authorized to issue from time to time bonds payable in gold, bearing interest at a rate not exceeding three per centum per annum, and having a long time to run, and to exchange such bonds for United States notes and Treasury notes, upon such terms as might be most advantageous to the Government, or to sell the bonds abroad for gold whenever in his judgment it might be advisable to do so, and use the gold thus obtained in making redemptions of outstanding notes. The terms in which this recommendation was made, and the suggestions submitted in support of it, showed that it did not contemplate the retirement of all the outstanding notes at one time, but that the process should be so conducted as to avoid any danger of an improper contraction of the currency. Believing that this plan of redeeming the notes, and at the same time substituting an absolutely sound currency in place of them, promises the most certain means of accomplishing the desired result within a reasonable time, I adhere to the views then expressed; but the object to be attained is so essential to the future financial safety of the country that it ought not, in my judgment, to be defeated or abandoned simply on account of differences of opinion concerning the methods of securing it.

While an Act conferring express and plenary authority upon the Secretary to issue bonds and use them or the proceeds of their sale for the purpose of retiring a certain amount of the notes each year, would, in my opinion, be the most effectual and economical way to accomplish that object, it may be that so radical a measure would not receive the assent of Congress, in the present state of the public mind on the subject, and if so, it is submitted that, at the very least, authority should be given to retire and cancel a maximum amount of notes each year when voluntarily presented by the holders and redeemed in gold; and if the maximum amount fixed by Congress should not be retired and canceled in any year by redemptions out of the gold reserve, the Secretary of the Treasury should be clothed with authority to apply to that purpose any surplus funds in the Treasury, and in addition, if necessary, to issue the character of bonds above described to a sufficient amount to comply with the provisions of the law. The adoption of such a policy would give immediate assurance of a purpose to return within a reasonable period to a safe and elastic currency system, and would remove much of the doubt and uncertainty which have for many years disturbed the public mind and embarrassed the business of the people and the operations of the Government. No sudden or large contraction of the active currency could result from the execution of such a plan, because the redemptions would be made from time to time with money already withdrawn from circulation and held in the Treasury, except in cases where it might become necessary to issue and sell bonds in order to make the redemptions correspond to the amount required or authorized; and in all such cases contraction could be easily prevented by selling the bonds abroad and thus adding their proceeds to our domestic stock of money.

As already stated, without making allowance for the loss or destruction of notes in the hands of the people, the total amount of United States legal-tender notes in existence on December 1, 1896, was $\$468,358,296$. On the same day the free gold in the Treasury amounted to $\$131,510,352$, of which $\$100,000,000$ was procured and is held solely for the purpose of being used in the redemption of notes, so that the additional sum required to provide for the retirement of all this currency would be, at the very highest estimate, $\$368,358,296$, which includes $\$121,677,280$ of Treasury notes issued under the Act of 1890. But if the $\$346,681,061$ in old United States notes were retired, or even if provision were made for their permanent retirement by such methods as would insure the accomplishment of that result within a reasonable time, our currency system would be so improved and public confidence in its stability would be so strengthened that it might be found unnecessary to continue the redemption of the Treasury notes of 1890 in gold, and in that event the total amount to be so redeemed, deducting the reserve already on hand, would be $\$246,681,016$. Treasury notes of 1890, as stated in the former part of this report, to the amount of $\$35,121,722$ have been redeemed in silver since August 1, 1893, and the notes have been canceled. During the last fiscal year the redemptions of Treasury notes in gold amounted to $\$5,348,365$, while during the same time the redemptions in silver amounted to $\$16,405,120$, or more than three times as much.

These redemptions, and the consequent substitution of standard silver coin in place of the notes, have been gradually effected without creating any noticeable disturbance of the currency and without exciting any apprehension in the public mind, notwithstanding the precarious condition of our financial affairs during the time the process has been going on, and, in view of these facts, it appears not unreasonable to suppose that, under more favorable conditions, larger amounts of silver might be safely used for the same purpose, and all, or the greater part of, these notes be retired in the same way. The Act under which they were

issued expressly requires the Secretary of the Treasury to coin a sufficient amount of the bullion purchased with them to provide for their redemption and to hold it in the Treasury for that purpose, thus clearly showing the intention of Congress to have them ultimately retired by substituting silver for them: and, in pursuance of this policy, such notes have been retired and canceled whenever the holders demanded, or were willing to receive, silver in exchange for them.

Redemption of National Bank Notes.

Whatever plan may be finally adopted for the retirement of United States notes and Treasury notes, it will fail to afford complete protection to the Government against demands for gold in the future, unless it includes a provision relieving the Treasury from the obligation to redeem National bank notes, except such as are worn, mutilated, or defaced, and the notes of failed banks, or requires these institutions to keep their five per cent. redemption fund in gold and to deposit gold coin for the withdrawal of bonds when circulation is to be surrendered or reduced. Prior to the Act of June 20, 1874, each bank was required to redeem its circulating notes at its own counter, and also to select, with the approval of the Comptroller of the Currency, a national banking institution located in some of the cities named in the Act, at which redemptions could be made, and the Treasury was not authorized or required even to redeem worn, mutilated, or defaced notes; but since the passage of that Act each national banking association has been required to keep on deposit in the Treasury of the United States, "in lawful money of the United States," a sum equal to five per cent. of its circulation, to be held and used for the redemption of its notes, and when such notes, assorted or unassorted, are presented in sums of one thousand dollars or any multiple of that sum, the Treasurer is required to redeem them "in United States notes." In view of these provisions of the existing law, it is clear that in case the United States notes should be withdrawn from circulation, some other method of redeeming the National bank currency must be adopted, and, in my opinion, the obligation should be imposed directly upon the banks themselves, or they should be required to keep the redemption fund on deposit with the Treasurer, in gold coin.

Whoever is permitted to furnish paper currency should be required to keep it good in the hands of the people, by furnishing the means for its prompt redemption in coin when demanded, and the retirement of the United States legal-tender notes will necessarily devolve this duty upon the banks of issue, whether they be organized under our present laws or under some improved system which will give greater elasticity to our currency and afford better opportunities for the employment of capital and commercial credit in banking institutions. Before the suspension of specie payments in 1861, and for many years after resumption, the banks supplied all the gold required by our people in the transaction of their domestic business and for the settlement of balances abroad, and when the Government is released from the obligation to hold a large reserve for the redemption of its own notes, they will again be able, without loss or inconvenience, to return to the former practice in this respect, and, by the use of their own means, keep their circulating notes at par with gold.

Amendments to the Banking Law.

For reasons which were submitted at some length in my last annual report, and which it is unnecessary to repeat, I recommended such amendments to the national banking laws as would permit the issue of circulating notes equal in amount to the face value of the bonds deposited and reduce the tax on notes to one-fourth of one per centum per annum, and that authority be given to establish branch banks for the transaction of all kinds of business now allowed, except the issue of circulating notes. These amendments would, in my opinion, greatly improve the system, by increasing its efficiency as a means of furnishing accommodations to the people in times of need and in localities where adequate banking facilities do not now exist. Unless the credit of the Government shall become more seriously impaired than there is now any reason to apprehend, our bonds will always be worth par in the market, and will, consequently, afford an ample guarantee for the safety of the notes issued against them; and, as the whole purpose of the law on this subject is to protect the note-holders against loss, it is difficult to see upon what ground the present limitation upon the issue of notes can be defended. When bonds to secure circulation can be procured only by the payment of a large premium, as has been the case for a great many years, the profits realized upon the notes are so small and so uncertain that banks prudently managed are generally unwilling to increase their issues in order to meet temporary demands for additional currency, and the result is that the supply remains substantially the same whether the demand be great or small. The essential element of elasticity can not be secured for this form of currency under our present laws, and is by no means certain that it can be secured under any system which requires the purchase and deposit of bonds to secure circulation.

An annual tax of one-fourth of one per cent. upon the circulation of National banks will produce a sum more than sufficient to defray the expenses of governmental supervision, and, as this is the only proper purpose for which such a charge can be imposed, I am decidedly of the opinion that it should be reduced to that rate. In whatever form such taxes may be assessed, they must ultimately become charges upon the people for the use of the currency, and, consequently, they ought not to exceed the amount required to maintain the service provided at the public expense.

The provision of the national banking law which prohibits the organization of any association with a capital of less than $50,000 and permits the organization of associations with this minimum amount only in places having a population of six thousand and less, deprives many communities of necessary local banking facilities and serves no useful purpose in maintaining the safety or efficiency of the system in other respects.

No good reason is perceived why this limitation upon the required amount of capital should not be reduced to $25,000, without regard to population. As all banks, whether their capital is large or small, are subject to the same legal restrictions and official supervision, it is evident that the number of people residing in the towns or cities in which they are located is wholly immaterial, and, therefore, the provision referred to is manifestly arbitrary and unnecessary. Many cities and towns, especially in agricultural regions, having comparatively a small population, although greatly in need of banking facilities, are unable to command sufficient capital to comply with the requirements of the present law and are consequently subjected to very great inconvenience and considerable loss in the transaction of their business. The amendment suggested, and a corresponding reduction of the amount of bonds required to be deposited under another provision of the statute, would afford a much needed measure of relief to such communities and contribute not a little to allay the feeling of discontent which evidently exists in some parts of the country on account of the unequal distribution of loanable funds. This modification of the law, and an amendment authorizing national banking associations having a designated amount of capital to establish and operate branches under such restrictions and limitations as Congress may see proper to prescribe, would afford opportunity for a practical extension of the system to all parts of the country, without in the least impairing its strength or efficiency. The branches ought not to be in any respect independent of the parent institutions, but should be mere agencies to receive and hold deposits, discount notes, purchase bills, and transact other business authorized by law, except the issue of circulating notes; and they should, of course, be subject to official inspection and to all the laws, rules, and regulations applicable to the kind of business in which they engage.

The propriety of prohibiting the issue of United States notes, Treasury notes, and National bank notes of lower denominations than ten dollars, in order to secure a larger and more permanent use of silver coins and certificates, has been urged upon Congress in all my annual reports, and the subject is again referred to only for the purpose of saying that the reasons heretofore stated in support of such a policy still exist and have been strengthened by the experience of each year.

It has been shown by experience that the effect of the provision contained in Section 12 of the Act of July 12, 1882, authorizing the issue of gold certificates has been to increase the difficulties of maintaining the free gold in the Treasury at or above the amount of the lawful reserve, and I recommend its repeal. The manifest purpose of the law was to accommodate citizens and financial institutions having gold coin on hand, by providing for its safe custody in the vaults of the Treasury and at the same time facilitating its practical use in the form of certificates, as a part of the active currency of the country, or in the reserves of the National and other banks. It was evidently supposed that its effect would be simply to increase the total gold holdings in the Treasury, without diminishing the amount of free gold; but it has been found that the privilege to make deposits and receive certificates is a constant temptation to present notes and withdraw free gold from the Treasury, to be redeposited for the benefit of the holders of the redeemed notes. Attention was called to this subject during the last Congress, and the House of Representatives passed a bill repealing the provision referred to, but it was not passed in the Senate.

To HON. THOMAS B. REED, *Speaker of the House of Representatives.*

J. G. CARLISLE, *Secretary.*

Insolvent Bank Dividends.—The Comptroller of the Currency has declared dividends as follows: First dividend of 10 per cent., First National Bank of Hillsborough, Ohio. Final dividend of 12¼ per cent., First National Bank of Texarkana, Texas, making 100 per cent. Final dividend of 15 per cent., Cherryvale National Bank, of Cherryvale, Kansas, making 35 per cent. Final dividend of 7½ per cent., First National Bank of Cedar Falls, Iowa, making 58½ per cent. Final dividend of 3 4-10 per cent., Newton National Bank, of Newton, Kansas, making 53 4-10 per cent.

STATE BANKS—REPORTS OF SUPERVISING OFFICERS.

STATE OF NEW YORK.

BANKING DEPARTMENT, ALBANY, N. Y., Jan. 1, 1897.

To the Legislature:

The conditions prevailing throughout the fiscal year ended with September 30, 1896, trying to all business interests, were especially and peculiarly unfavorable to the satisfactory and remunerative conduct of moneyed corporations. Besides the general inactivity in trade and productive industries and the continued shrinkage of values, impairing the ability of customers and of shareholders to meet their engagements promptly, and often rendering ordinarily safe assets not easily convertible, with the consequence that embarrassment and losses were commonly experienced, the grave apprehension incident to a possible unwise result of the presidential campaign dictated the utmost conservatism in operations, so that if the worst should come there might be at least partial preparation for it. Investments and loans were thereby restricted, deposits diminished and discouragement imposed. It is not remarkable in these circumstances that insolvency was compelled during the year as to a single bank and one building and loan association out of nearly eight hundred institutions under the supervision of the Superintendent of Banks; but, rather, that escape from disaster was so general.

Besides these suspensions, however, four banks of deposit and discount, viz.; the Island Bank of Waddington, the Hydraulic Bank of Buffalo, and the East Side Bank and the Empire State Bank of New York city, went into voluntary liquidation for special or local reasons which made it unprofitable for them to continue business, while one bank reduced its capital in the sum of $1,500,000.

A showing so free from failures in such a year testifies impressively to the excellence of the State banking system and to the prudence, vigilance and ability with which the institutions in question are managed.

This commendation could be made more emphatic, however, if the banks in general would manifest less anxiety to apply their profits as fast as earned to the payment of dividends Indeed, a number do avoid this mistake, but stockholders commonly desire returns on their investments regularly and at as frequent periods as may be, and the impression prevails in many quarters that the declaration of large dividends establishes in the public mind the idea of strength and prosperity for an institution. But the fact is quite the reverse. The payment of a dividend is soon forgotten, while the size of a surplus or the amount of undivided profits remains always in evidence, and usually indicates the strength or weakness of institutions which have been organized and doing business any considerable length of time, and is the measure that the average customer or business man applies in forming judgment concerning them. As with an individual the spending of all his income is not the way to thrift and competency, so with a bank the division of profits does not create confidence or prepare for exigencies.

It is the part of wise banking to build up a strong surplus as a protection when losses come, and also that earning capacity may be increased. The law already recognizes the soundness of this view, and it might not be unwise to somewhat broaden the provision on the subject. But whether this be done or not, bankers ought themselves to more generally act voluntarily on the lines here suggested. The surplus ought always to be an earned one, however, and not one which the stockholders subscribed.

Since assuming the superintendency of the department it has been my fixed purpose to maintain the thoroughness of examinations established by my predecessor, and, if possible, to pursue with even more systematic pertinacity the work of requiring banks to "charge off" doubtful and uncollectible paper and other overrated and worthless assets, so that their published quarterly reports shall give to their customers and to the public their exact condition as it appears to the department from examinations made by it. While it is desirable that there shall be confidence in these institutions, that confidence should not rest upon any insecure basis, but be deserved and depend upon genuine stability and soundness.

The corps of examiners employed by the department includes men who are expert in banking methods, and in some cases surprisingly keen in detecting irregularities and discriminating between good and poor assets, and their work has been fruitful of good results. But this supervision can not be constant, and too much must not be expected from it. It is not,

and in the nature of things it is impossible that it should be, altogether preventive of mistakes or of wrongs, and the directors of banks, who are immediately responsible for the success and safety of the investments of stockholders and the security of deposits, might advantageously supplement the investigations made by this department with searching examinations similarly conducted by themselves. * * *

As a partial offset to the banks that have withdrawn from business or reduced their capital, three new banks were organized under the State law during the fiscal year, viz.: The Citizens' Bank of Locke, the Madrid Bank and the Elmira City Bank, the first two with a capital of $25,000 each, and the third with a capital of $50,000. Having no depositors and undertaking no business, permission has been given from time to time to the Elmira City Bank to defer completion of the payment of its capital, but $35,000 of which has as yet been paid in.

The total number of State banks of deposit and discount transacting business at the close of the fiscal year was 213, a net decrease of two during the year. * * *

TOTAL RESOURCES.

The total resources of all the moneyed institutions under the supervision of this department, as shown by their last reports, are as follows:

Banks of deposit and discount, September 3, 1896	$273,795,005
Savings banks, July 1, 1896	806,751,426
Trust companies, July 1, 1896	396,917,238
Safe deposit companies, July 1, 1896	4,756,770
Foreign mortgage companies, January 1, 1896	25,574,560
Building and loan associations, January 1, 1896	50,168,683
Total	$1,557,963,682

This is an increase of $19,440,788 over the resources of the same class of institutions at corresponding dates in 1895.

NEW BANKS.

The following table shows the number of new banks which were organized during the last fiscal year, together with the location, date of authorization and capital stock of each:

NAME.	*Location.*	*Date of authorization.*	*Capital.*
Citizens' Bank of Locke, N. Y., The	Locke	Oct. 28, 1896	$25,000
Elmira City Bank*	Elmira	Oct. 30, 1896	50,000
Madrid Bank	Madrid	Jan. 28, 1896	25,000
Total			$100,000

*Capital unpaid, $15,000.

RECENT CHANGES IN THE BANKING LAW.

Few changes were made in the Banking Law by the Legislature of 1896. They are thus summarized:

Adding to section 14 a provision specifically requiring foreign corporations doing business in this State, if engaged in receiving deposits in trust in this State (including building and loan associations), to deposit with the Superintendent securities to the amount of $100,000 each as security for the depositors with and creditors of such corporations in this State.

Providing that the restriction of subdivision 1 of section 25, forbidding a loan or discount by a corporaaion or banker exceeding one-fifth part of such banker's or corporation's capital stock and surplus, shall not apply to loans or discounts secured by collateral security worth at least fifteen per centum more than the amount or amounts loaned thereon; provided, however, that such loans or discounts on such collateral, or the discount of bills of exchange drawn in good faith against actually existing values, or commercial or business paper actually owned by the person negotiating the same, shall not exceed one-half the actual paid-in capital stock and surplus of such corporation or banker, including the loans first provided for in this section.

Prescribing that directors of trust companies shall make oath when elected or appointed affirming their eligibility as defined by the statute and assuming the obligations that attend the trust.

Authorizing Savings and loan associations to invest in the same kinds of securities, and under the same restrictions, as are allowed to Savings banks, any surplus moneys in their treasuries in excess of the amounts needed to meet the demand for temporary loans.

Supplying an omission in the law of 1892 by establishing conditions for the incorporation of mortgage, loan and investment companies, and defining the general powers of such companies.

Authorizing a reduction or an increase in the number of trustees of Savings bank corporations. Also adding the city of Springfield, Mass., and the city of Newark, N. J., to the list of municipalities in the securities of which Savings banks may invest.

CAPITAL.

The following table shows the amount of capital employed by the banks of deposit and discount and the individual bankers of this State on the 1st day of October, 1896, together with the decrease for the year:

Amount of capital September 30, 1895		$33,119,205
Capital subscribed in 1895, paid in since		41,495
Capital of banks organized during the year	$100,000	
Less amount not paid in	15,000	
		85,000
Increase of capital of bank previously organized		50,000
		$33,295,700
Capital of banks closed	$575,000	
Reduction of capital of bank previously organized	1,500,000	
		2,075,000
Capital stock September 30, 1896		$31,220,700
Capital stock September 30, 1895		33,119,205
Decrease for year (net)		$1,898,505

RESOURCES AND LIABILITIES.

*The resources and liabilities of the banks of deposit and discount as reported on September 8, were as follows:

RESOURCES.	*Sept. 8, 1896.*	*Dec. 9, 1896.*
Loans and discounts	$167,845,445	$163,423,157
Liability of directors as makers	5,572,019	5,960,704
Overdrafts	201,549	211,060
Due from trust companies, State, National and private bankers and brokers	19,977,257	26,554,322
Real estate	8,765,235	8,822,872
Bonds and mortgages	2,939,983	3,077,228
Stocks and bonds	15,909,374	14,731,852
Specie	13,312,198	16,154,721
United States legal-tender notes and circulating notes of National banks	18,500,557	19,905,659
Cash items	18,343,277	20,215,229
Loss and expense account	673,907	.....
Assets not included under any of the above heads	1,763,445	1,634,360
Add for cents	764	661
Total	$273,795,005	$280,691,855
LIABILITIES.		
Capital	$31,220,700	$31,020,700
Surplus fund	19,942,816	19,400,612
Undivided profits	8,308,318	8,398,288
Due depositors on demand	181,828,696	185,710,087
Due to trust companies, State, National and private bankers and brokers	17,969,111	21,427,362
Due to individuals and corporations other than banks and depositors	424,697	.....
Due Savings banks	11,968,674	13,086,060
Due Treasurer of the State of New York	1,220,873	1,130,807
Amount due not included under any of the above heads	910,778	517,604
Add for cents	342	325
Total	$273,795,005	$280,691,855

*For the purpose of comparison, the figures for December 9 have been added.—[EDITOR.

Securities and Cash Held in Trust.

Table showing securities and cash held in trust, deposited with the Superintendent of Banks in trust by the several banks, individual bankers and trust companies:

United States 2 per cent bonds	$120,000
United States 4 per cent. bonds	961,000
United States 5 per cent. bonds	1,000
United States 6 per cent. bonds	104,000
New York city 2½ per cent. bonds	525,000
New York city 3 per cent. bonds	1,375,000
Brooklyn city 3 per cent. bonds	370,000
Brooklyn city 3½ per cent. bonds	250,000
Brooklyn city 4 per cent. bonds	100,000
Buffalo city 3½ per cent. bonds	20,000
Niagara Falls city 4 per cent. bonds	20,000
Rochester city 3½ per cent. bonds	50,000
Bonds and mortgages	50,000
Cash	378
Total	$3,946,378

Financial Statement of the Banking Department.

Dr.

To balance unexpended October 1, 1895, general fund	$244 83	
To appropriation (chapter 807, Laws of 1895):		
For salary of Superintendent	5,000 00	
For other salaries and expenses	19,000 00	
		$24,244 83

Cr.

By salaries and other expenses	21,563 02
Balance unexpended October 1, 1896	$2,681 81

Recommendations.

Disclaiming disposition to antagonize the State Civil Service Commission, and indeed with express avowal of sympathy with the system in general, I nevertheless can not refrain from urging that the initiative of selection in cases of bank examiners could more wisely be given to the head of the banking department than restricted to the competitive civil service list. * *

Every institution under the supervision of this department, except the associations ordinarily known as co-operative Savings and loan associations, foreign mortgage and investment companies, Savings banks and safe deposit companies, are required to file bonds or securities with the Superintendent of Banks, to be held in trust by him as security for their depositors and creditors, or for application, if need be, to the payment of their respective charges for the support of the department.

While it is impracticable, and in most cases would be an unjustifiable hardship, to require the Savings and loan associations to deposit bonds or securities in large amounts, I can conceive of no good reason why a complete exception from the general rule should continue in their favor. Experience has shown that in a number of instances organizations of this character have closed up their business and dissolved without the fact coming to the knowledge of the department until long afterward, and while indebted to it for annual assessments, or for the expenses of examinations. Others still, neglectful of their obligations, fail for several successive years to reimburse the department for their proportion of the cost of its maintenance, and the sum goes uncollected because too small to be sued for in the Supreme Court.

I, therefore, suggest that the law be so amended as to require every such association to deposit money, or some approved security, in trust with the Superintendent of Banks, in amount to be fixed by the Superintendent, not exceeding $500, to be applicable, if need arises, as are the securities deposited by banks of deposit and discount.

Foreign mortgage and investment companies, and safe deposit companies, ought to be required to deposit securities in sums sufficient to guarantee their payment of charges for the support of the department—say, $1,000 each.

There is nothing in existing law to prevent a bank or trust company from organizing with a paid-in surplus, and, in some instances, such institutions have so organized. I think such a course contrary to public policy, and recommend that the law be so amended as to make it illegal. A subscribed surplus, paid in at the date of organization, is, in reality, of the character of capital, and there can be no good reason why it should not appear to be what in effect it is. Otherwise, to those not cognizant of the facts, it would be misleading, the natural assumption being that a surplus represents earnings, and, therefore, to the public it stands as

the symbol of strength and prosperity. Of course, no such significance attaches necessarily to a subscribed surplus. Moreover, under existing law, stockholders in banks and trust companies are liable, equally and ratably, for all contracts, debts and engagements of such corporations to the full extent of the stock held by them in addition to the amount invested, whereas if half, or any proportion, of the capital be in the form of surplus, there might perhaps be a question of liability with reference to the part designated surplus. Evasion of the intent of the statute should not be possible in this manner, and accordingly I believe it would be best to prohibit the practice altogether.

Investments for Savings Banks.

Strenuous effort is made annually by parties who desire to enlarge the market for securities not of the highest character to induce the Legislature to authorize a wider range of investments for Savings banks, and also by men whose judgment is mistaken, even if their motives be sincere, to compel these banks to undertake labors utterly impracticable, ostensibly in the interest of their depositors, but in reality likely to profit only a certain class of attorneys. No countenance should be given to such proposals. The best possible security can not be too good for the savings of the poor, and nothing in any degree hazardous or doubtful should be authorized. Nor should any arbitrary requirements be imposed in the conduct of Savings banks involving burdensome and unnecessry expense. The trustees of these institutions other than the officers receive no compensation except for specific service, and none of them can share in the earnings or profits of the banks. They are men of the highest character, taking responsibility and giving time from philanthropic motives, and every dollar that is added to the cost of bank work means a lessening of the dividends returned to the depositors, to whom all the assets belong.

The idea prevalent with some, that dormant accounts, *i. e.*, those that have been neither increased by deposits nor diminished by withdrawals in a period of twenty-two years, are used in erecting bank buildings or are converted to the benefit of trustees, is utterly without basis of fact, and such application of them would be entirely contrary to law. Such accounts are reported to this department annually, and inquiries are received by the Superintendent continually as to whether this man or that woman has a claim upon an account in any Savings bank. Upon presentation of proper proof of identity by any such claimant, or the heirs, opportunity is promptly afforded for recovery to be had. Interest thereon is credited regularly until the account becomes dormant, and, if the deposit is finally claimed, interest is paid to the date of settlement. The pressure to be permitted to see these lists of dormant accounts has been at times very great in the department, and, could it succeed, disreputable attorneys might reap a rich harvest by imposition or fraud.

Require Savings bank officers to advertise their dormant accounts, or once a year to notify by letter or postal card every depositor of the amount of his deposit, and an extremely burdensome expense to the institutions would be created, and the door be opened wide for fraud and robbery. Information of this sort is eagerly sought and audaciously used by men who prey upon their fellows, as is well illustrated by an authenticated instance in New York. A Savings bank depositor was approached by a swindler with announcement of a discovery that he was entitled to $2,500 (inferentially a claim of which the depositor was ignorant) and that it would be obtained from him for half the sum named. Of course the negotiation was conducted with cleverness of which the expert "confidence man" is master, and by plausible suggestion proceeded to a point where the depositor had to choose between surrendering half of his Savings-bank deposit or confessing himself a dupe and engaging in a law suit with at least the superficial proof against him. He accepted the first alternative and actually submitted to the robbery.

Examinations by Directors.

The recommendation already suggested in the earlier part of this report is here repeated, that the directors of every State bank be required by statute to create an examining committee who shall count the cash and examine all paper held by the bank at least as often as once in six months. Once in three months, or even once a month, would be still better as a matter of practice, though perhaps the frequency first suggested would be all that it is desirable to prescribe by statute. In most cases of country banks the expense would be nothing at all, and in city banks it need not be burdensome, while the resulting benefits would more than compensate for all trouble or cost.

Receivers of Failed Banks.

It would seem that the dignity of the State's authority, which should be supreme over the corporations created by it, and also the interests of stockholders and creditors of insolvent banks, associations, or moneyed institutions in general, would be best conserved by

making impossible the recurrence of complications such as have developed in the case of the failed Murray Hill Bank. Section 18 of the Banking Law should be amended in a manner to shut out those under whose management a bank becomes so involved as to necessitate the closing of it by the Superintendent of Banks from exercising any further controlling influence in its affairs. I believe that that is the intent of the statute as it stands, but it should be made plain beyond the chance of misunderstanding. When the State acts the power of private individuals to intervene, and more especially of the very individuals whose misfortune or mismanagement rendered State action necessary, should be prohibited, so that they can have no standing whatever in court in a proceeding for a receivership or in any movement to forestall the action of the Attorney-General as prescribed by the statute.

Considerations of economy, avoidance of contention, and facility in meeting the various conditions that may arise, suggest as the best system yet devised for such exigencies the provisions comprehended in the National Banking Law on this point, and the Superintendent of Banks should have powers in this direction equal to those possessed by the Comptroller of the Currency. That is to say, after taking possession of the property and business of any corporation under section 17 of the Banking Law, the Superintendent should possess the authority to himself appoint a Receiver. While this might interfere with existing court prerogatives it would certainly save very largely in expenses, lessen litigation, and, in many instances, simplify future procedure in the case to the advantage of all concerned. There would then no longer remain any question as to the power to make collections, compound debts, and transact business generally, the doubt in regard to which now existing while litigation continues may easily result in losses.

Further still, this method would permit the question of reorganization, always arising, to be held open without prejudice or loss until it could be intelligently settled at leisure, for, having control in his own hands, the Superintendent would deliver to the stockholders at any time that they should show themselves qualified for reinstatement with regard for the public safety. Such reorganization is mooted in nearly or quite every case of insolvency that occurs, and the Superintendent, always preferring the success of the enterprise, must hesitate between prompt procedure in the interest of creditors, and delay in order to avoid complications and expense. If given the power here suggested, this dilemma need not be experienced, and every interest could be effectively guarded and quickly settled.

If there be objection to authorizing the method here suggested, I desire to emphasize most strongly the importance of at least providing by law that the officers of an institution, found by the Superintendent of Banks to be insolvent, shall not be permitted to rush into court in anticipation of the procedure which the statute requires the Attorney-General to institute, and thus virtually control the business which has been wrecked under their management. When it is remembered that such wrecking may comprehend criminal negligence or worse, requiring prosecution of the officers, additional reason for so providing becomes apparent and conclusive. FREDERICK D. KILBURN, *Superintendent of Banks.*

KANSAS.

OFFICE OF THE BANK COMMISSIONER,
TOPEKA, KAS.

Hon. E. N. Morrill, Governor of Kansas.

DEAR SIR:—In accordance with the provisions of section 28, chapter 43, of the Laws of Kansas of 1891, I transmit herewith my report, showing the condition of all State and private banks doing business in the State Sept. 1, 1896, together with information required by law.

There are at this date 283 State and 109 private banks which report to this office. During the period covered by this report there have been organized forty State and seven private banks; twenty-five State and twenty-three private banks have gone into voluntary liquidation, and have reported to this office that they have paid all depositors in full; nine State and two private banks have been placed in the hands of Receivers. While the number of failures during the last two years has been small the amount of their liabilities is quite large, aggregating about $600,000. I am pleased to state, however, that about one-half of these liabilities has been paid, and that the loss to creditors will probably be less than ten per cent. Owing to the fact that this department has no control over closed banks, I am unable to furnish any information showing the condition of these banks at this date. A large majority of these failures are due entirely to the misuse by its officers of the funds intrusted to the care of the bank, and in several instances embezzlement and all manner of frauds were committed. These frauds were usually covered up by false entries or by a failure to enter many transactions upon the books of the bank, thus deceiving this department with reference to the actual condition of such banks.

In every case the board of directors have been derelict in their duty to the stockholders and creditors, and I can not too severely condemn the practice indulged in by so many boards of directors of absolutly neglecting to perform their sworn duty. For their information I have caused to be published herein our law, which makes them individually liable. In the amendments to our law, which I refer to later, I have endeavored to make provisions which will secure from them proper attention to their duties and provide suitable punishment for a failure to do so.

It is not made the duty of the Bank Commissioner to prosecute violations of the provisions of our banking law, but I am of the opinion that a provision requiring the Commissioner, or his deputies, to file complaint with the county attorney against any bank officer who has been guilty of violating any of its provisions would have a wholesome effect. In one instance where the Cashier had repeatedly made false reports to my office, I made complaint to the county attorney, and a criminal action is now pending. If similar action was required in every such case, we could soon put a stop to the making of false statements.

During the present year the following banks, to wit: The Bank of Belle Plaine, the People's Bank of Moran, the Argonia State Bank and the Bank of Savonburg, were compelled to close their doors, but, by an agreement entered into between the respective bank and its depositors, the officers were continued in charge for the purpose of liquidating. In each case this arrangement has proved satisfactory, and, although unauthorized by law, will result in great saving to all parties interested.

Our present banking law, which provides for the supervision of State and private banks, and which created this office, has been in operation for over five years, and we should now be able to judge of its efficiency, and determine what, if any, changes are necessary and desirable in order to accomplish the objects for which it was enacted. At the time of its passage the system of bank supervision as applied to State and private banks was in its infancy, and in many Western States no attempt had been made in this direction. Indeed, many people doubted the wisdom of the State attempting to provide for their supervision, and under these circumstances the Legislature perhaps acted wisely in not attempting to enact a more stringent law. Our experience during the last five years has demonstrated that the system of State supervision contemplated by our law is a great benefit to the public, as well as the banks, and that, with certain amendments which this experience has proven are necessary, our law will enable the banking department to afford such protection to both depositors and stockholders as will prevent serious loss to either by reason of bank failures. I am of the opinion that where the State assumes the supervision of any business the public has a right to expect that such supervision shall be efficient and shall afford them reasonable protection.

Changes in the Banking Law.

In my last report I recommended such changes in our law as I deemed necessary, but the Legislature, or at least one branch thereof, failed to adopt same. Being still of the opinion that this subject demands the careful attention of the Legislature, I renew my recommendations, with such changes as my experience and observation during the last two years suggest proper. The amendments and additions to our present law which I deem necessary are so numerous that the adoption of an entirely new law will, in my opinion, be the better way to accomplish the change. I have therefore prepared, and transmit herewith, a draft of a new banking law, the adoption of which I recommend.

While a comparison of the proposed law with our present law will disclose the changes and additions and while the object and purpose of the same will be apparent to those familiar with the subject, I deem it not out of place to here enumerate some of the defects in our law, as follows:

No provision is made for the ownership of real estate by banks. Each should be permitted to own a building suitable for its business, of the value, including furniture and fixtures, of not to exceed one-third of the bank's capital.

The minimum capital at present is $5,000. This should be graduated according to the size of the town or city in which the bank is located. A bank with only $5,000 capital should not be permitted to transact business in a large town or city where it may secure a large amount of deposits. The capital should correspond with the volume of business.

No provision is made whereby a bank may reduce its capital.

No provision is made for the reorganization of National, State or private banks.

The powers and duties of private bankers are not defined.

The duties of the board of directors are not sufficiently defined.

Banks should be prohibited from investing in the stock of other banks or corporations.

The reserve of all banks should be kept on hand in cash, or deposited at commercial centers, subject to draft, and deposits in small banks outside of the State should be prohibited. Several bad failures have been caused by keeping large deposits in small banks outside of the State in which the officers were interested.

A penalty should be provided for violation of the section of our law prohibiting excess loans.

The officers of a bank should be prohibited from borrowing its funds except upon ample security, and subject to the same restriction as other borrowers. A majority of bank failures can be traced to misuse of its funds by the officers.

No penalty is provided for transacting a banking business without authority from the banking department.

The Commissioner has no power to revoke the authority of any bank under any circumstances.

The Commissioner has no power to require a bank to make good an impairment of its capital; as a result, a number of banks are showing a capital that does not exist.

No power is vested in the Commissioner to close a bank which keeps its reserve good, until its losses exceed its capital. This partakes of the nature of "locking the stable after the horse is stolen."

Upon taking possession of a bank, the Commissioner must immediately apply for the appointment of a Receiver. He should have power to place a suitable person in charge temporarily, for the purpose of arranging, if possible, for a settlement without the expense of a receivership.

Banks should be exempt from attachment and other legal process, whereby creditors may secure preference. When a bank fails, or is unable to meet the demands of its creditors, all its assets should be held for the benefit of all its creditors, and its business wound up as provided in our banking law.

Receivers of insolvent banks should be required to make reports to the Bank Commissioner, and such bank should also be subject to examination.

The double liability of stockholders should be enforced by the Receiver for the benefit of all creditors, and any collections on this account should be distributed among the creditors *pro rata*. Individual creditors should be prohibited from collecting this liability.

Insolvency, as applied to banks, should be defined by law.

The total investments of a bank should at no time exceed three times its capital and surplus. In this manner creditors will be protected against serious loss, and any bank should be satisfied with investments amounting to three dollars for every dollar of its capital and surplus.

Officers and stockholders should be restricted in the use of the bank's funds, and officers should be subject to severe penalty for using funds in violation of our law.

Bank officers should be prohibited from using the bank's name or incurring any liability in any other manner than through the proper discharge of its business.

Banks should be prohibited from borrowing money habitually, and should at no time be permitted to borrow an amount exceeding 50 per cent. of their capital. And in no case should collateral in excess of the amount borrowed be given as security therefor. Much trouble has been occasioned by banks habitually borrowing large sums of money for the purpose of reloaning same. This practice is not in keeping with good business principles, is fraught with many dangers, and should be restricted.

The examination fees provided by our present law are insufficient to defray the expense of the department. They should be increased sufficiently to make the department self-sustaining.

The defects in our present banking law enumerated above, and many others, are sought to be corrected in the proposed new law. I am convinced that they are necessary in order to give the public the protection it is entitled to.

Work of the Department.

The work of this department, although hampered by defects in our law, has in my opinion been conducted in a satisfactory manner, both to the public and the institutions under its control, and I desire to here express my thanks to my deputies, Mr. Frank Osborn and Mr M. A. Waterman, to whose faithful and efficient services the success of the department is largely due; and in this connection I will also state, that in not a single instance have they been deceived as to the condition of a bank, except in cases where the books of the bank did not contain a complete record of its transactions, and that bank failures under our present law do not indicate incompetence on the part of bank examiners, but are due to the fact that the law does not give the Commissioner power to act until the capital of a bank has been entirely wiped out by losses or otherwise. Our law should either be amended so as to clothe the Commissioner with sufficient power to protect the creditors of all banks or the office should be abolished. While I do not desire to be understood as suggesting that the banking department has not accomplished much good, for there is abundant proof to the contrary, I do believe that the time has arrived when the law should be amended so as to give the most efficient service to the public. If the law hereafter suggested is adopted, it will be an easy task for a

banker to keep the affairs of his bank in proper condition, and should he fail to do so, it will be easy for the Commissioner to correct any evils that may occur.

In conclusion, I will say that the banks under the control of this department, with a very few exceptions, have their affairs in excellent condition. The objectionable item of overdrafts has been reduced over three-fourths since I took charge of this office. The item of borrowed money has also been reduced in about the same proportion. A large amount of losses sustained in former years has been charged off. Real estate and furniture and fixtures accounts have been reduced to correspond more merely to the present value. Their reserve is almost double the legal requirement, and, as a whole, these banks are in condition to meet any ordinary demands that may be made upon them. The present is therefore a favorable time to provide a more stringent law for their government.

The results referred to have been accomplished at the request of the Bank Commissioner, without any authority of law. Bankers have as a rule, out of courtesy, complied with every requirement of the department which had a tendency to improve their condition, and I here extend my thanks to them for the prompt and courteous treatment; but this department should not be compelled to rely upon the courtesy of any one when attempting to protect the great interests intrusted to the care of our banks. I have called attention to the defects in our banking law in this plain manner for the purpose of impressing upon the minds of the public, and especially the members of the Legislature, the very great necessity for amending same.

JNO. W. BREIDENTHAL,
Bank Commissioner.

Loans and Currency.—The interest-bearing debt of the United States, exclusive of the bonds issued in aid of the Pacific railroads, was increased during the twelve months ended November 1, 1896, in the sumof $100,002,900. There were issued and sold in pursuance of the public notice of January 6, 1896, $100,000,000 of bonds of the United States, dated February 1, 1895, and redeemable at the pleasure of the United States thirty years from that date, in coin of the standard value of July 14, 1870, with interest in such coin, payable quarterly, on the first days of February, May, August and November. While these bonds were dated February 1, 1895, in order to make them uniform as to their terms with the four per cent. bonds sold under the contract of February 8, 1895, they bore interest only from February 1, 1896, and the purchasers refunded to the Government the interest accrued from the last-mentioned date to the respective dates of payment. The average premium realized was 11.166, and the entire proceeds, principal and premium, as well as the accrued interest, were paid into the Treasury by the purchasers in United States gold coin or gold certificates. The principal and premium amounted to $111,166,246, and the accrued interest to $189,365. This transaction has been reported in detail to Congress. The four per cent. loan of 1907 was increased in the sum of $2,900 by the issue of bonds of that loan in settlement of accrued interest on refunding certificates of the Act of February 26, 1879, presented for redemption during the twelve months.

The estimated population of the United States November 1, 1895, was 70,378,000, and the per capita supply of money outside the Treasury was $22.72. The estimated population and per capita supply of money November 1, 1896, was 71,902,000 and $22.63 respectively.—*From the Annual Report of the Secretary of the Treasury.*

Savings Banks of Australasia.—A late number of the Journal of the Institute of Bankers, of New South Wales, contains the following statement in regard to the Savings banks of Australasia, prepared from figures supplied by the Actuary of the Melbourne Savings Bank:

COLONY.	*Deposits in general Savings banks.*	*Deposits in Government Savings banks.*	*Total deposits.*	*Rates of interest allowed.*
				Per cent.
Victoria	£4,328,776	£3,128,128	£7,456,904	2 @ 2½
New South Wales	3,951,874	4,121,700	8,073,574	3 @ 4
South Australia	2,836,346	.....	2,836,346	3½ @
Queensland	.....	2,326,896	2,326,896	3
Tasmania	533,089	114,995	648,084	3 @ 3½
West Australia	.....	460,610	460,610	3½
New Zealand	725,714	3,894,982	4,620,696	3, 3½ @ 4
Totals, 1896	£12,375,799	£14,047,311	£26,423,110	.....
Totals, 1886	6,605,093	5,771,333	12,376,426	.....

NEW YORK CITY BANK STOCKS.

CAPITAL, SURPLUS, HIGHEST AND LOWEST PRICES OF STOCKS AT PUBLIC SALES IN 1896; BID AND ASKED PRICES; PER CENT. OF DIVIDENDS, AND PRESENT BOOK VALUE OF STOCK.

NAME OF BANK.	*Capital.	*Surplus.	Public Sales in 1896. Highest.	Public Sales in 1896. Lowest.	Bid.	Asked.	Dividend—Per cent.	Book value
Bank of America	$1,500,000	$2,508,400	325 Dec. 8	313 April 8	315	330	14 J. & J.	267
American Exchange National	5,000,000	2,482,100	173 Nov. 25	166¾ Oct. 14	171½	173½	7 M. & N.	150
Astor Place	250,000	356,800	246½ April 15	246½ April 15	230	.....	6 J. & J.	243
Bowery	250,000	601,500	....	....	290	.....	12 J. & J.	340
National Broadway	1,000,000	1,665,500	245 Feb. 28	227 Nov. 25	228	235	12 J. & J.	266
National Butchers and Drovers'	300,000	206,800	146 Feb. 13	131 Nov. 25	125	135	8 J. & J.	170
Central National	2,000,000	549,300	131 Dec. 28	120 Feb. 21	126	131	7 J. & J.	127
Chase National	500,000	1,500,000	....	....	350	.....	10 J. & J.	400
Chatham National	450,000	980,300	302½ Nov. 25	292½ Mar. 27	295	305	16 Quar. J.	318
Chemical National	300,000	7,381,700	4,250 May 13	4,100 Dec. 16	4,000	4,300	150 Bi-Mo. J.	2,560
National Citizens'	600,000	413,600	135 Feb. 26	125 July 22	125	135	7 J. & J.	169
National City	1,000,000	3,582,300	....	....	550	.....	14 M. & N.	458
Clinton	300,000	29,300	90 Dec. 23	65 Nov. 25	90	100	.....	110
National Bank of Commerce	5,000,000	3,672,800	206 Dec. 8	195 Sept. 30	200	204	8 J. & J.	173
Colonial	100,000	48,100	....	....	115	125	.....	148
Columbia	300,000	225,600	188 Mar. 18	185 April 1	175	.....	8 J. & J.	175
Continental National	1,000,000	231,800	136½ Nov. 11	135 May 12	130	137	6 J. & J.	123
Corn Exchange	1,000,000	1,262,600	297 Mar. 11	286 May 27	285	295	12 F. & A.	229
East River National	250,000	141,200	139 Mar. 10	136 May 20	125	.....	8 J. & J.	156
Eleventh Ward	100,000	224,000	....	....	.....	.....	8 J. & J.	324
First National	500,000	7,035,200	....	....	2,500	.....	100 Quar. J.	1,507
Fifth National	200,000	374,200	255 Jan. 29	255 Jan. 29	275	.....	12 J. & J.	257
Fifth Avenue	100,000	1,087,600	3,275 Feb. 19	3,025 Mar. 25	2,900	.....	100 Quar. J.	1,187
Fourth National	3,200,000	2,110,300	185 Feb. 24	162½ Sept. 16	175	185	7 J. & J.	166
Fourteenth Street	100,000	48,700	....	....	.....	.....	6 M. & N.	148
Franklin National	200,000	37,300	85 April 8	70 Jan. 29	71	75	.....	119
Gallatin National	1,000,000	1,648,000	310 Mar. 10	290 July 27	300	315	12 A. & O.	364
Gansevoort	200,000	34,700	90½ Mar. 11	90½ Mar. 11	90	100	.....	117
Garfield National	200,000	708,300	....	....	400	.....	.....	454
German-American	750,000	293,000	107 Sept. 30	107 Sept. 30	108	112	6 F. & A.	129
German Exchange	250,000	606,600	360 Jan. 8	360 Jan. 8	.....	360	16 May.	403
Germania	200,000	679,900	....	....	350	.....	10 M. & N.	440
Greenwich	200,000	158,400	....	....	165	.....	6 M. & N.	179
Hamilton	200,000	68,300	102¼ Mar. 4	102¼ Mar. 4	105	.....	6 J. & J.	134
Hanover National	1,000,000	2,063,300	....	....	315	330	10 J. & J.	306
Hide and Leather National	500,000	108,100	91 Nov. 18	88 Mar. 4	85	95	.....	122
Home	100,000	78,000	....	....	150	.....	.....	178
Hudson River	200,000	182,000	....	....	155	.....	6 F. & A.	191
Importers and Traders' National	1,500,000	5,715,300	542 Feb. 3	534½ June 10	530	540	20 J. & J.	481

Irving National	500,000	355,600	141 May 27	137½ April 2	140	150	8 J. & J.	171
Leather Manufacturers' National	600,000	495,900	182½ Feb. 1	170 Nov. 16	170	.....	10 J. & J.	183
Liberty National	500,000	296,700	....	....	128	.....	.....	147
Lincoln National	300,000	615,000	....	....	750	775	12 Quar. F.	305
Manhattan Company	2,050,000	2,146,200	212⅝ Dec. 9	203 Feb. 14	205	215	8 F. & A.	210
Market and Fulton National	900,000	1,026,700	225 Nov. 25	220 Nov. 20	215	225	10 J. & J.	214
Bank of Metropolis	300,000	803,200	....	....	425	.....	12 J. & D.	368
Mechanics' National	2,000,000	2,209,400	201½ Feb. 19	185 Feb. 19	185	195	8 J. & J.	210
Mechanics and Traders'	400,000	278,600	140 Feb. 10	115 Oct. 7	130	135	7 J. & J.	170
Mercantile National	1,000,000	1,000,000	183 Feb. 8	173½ Nov. 25	170	180	6 J. & J.	200
Merchants' National	2,000,000	1,048,200	137 Feb. 1	131 Jan. 3	132	138	7 J. & J.	152
Merchants' Exchange National	600,000	185,900	115 Oct. 7	108 Sept. 23	110	.....	6 J. & J.	131
Mount Morris	250,000	104,100	....	....	100	.....	.....	141
Mutual	200,000	88,700	....	....	100	.....	.....	144
Nassau	500,000	276,800	156 Jan. 17	150 Nov. 16	153	.....	8 M. & N.	155
National Union	1,200,000	581,800	216 April 7	200 Dec. 16	200	210	.....	148
Bank of New Amsterdam	250,000	233,500	....	....	200	.....	.....	193
Bank of New York National Banking Association	2,000,000	1,916,000	237 Mar. 26	230 Jan. 13	230	240	10 J. & J.	196
New York County National	200,000	422,700	....	....	650	.....	8 J. & J.	311
New York National Exchange	300,000	71,700	100 June 24	100 June 24	.....	.....	6 F. & A.	124
Ninth National	750,000	350,100	112 July 24	108½ Oct. 22	110	115	6 J. & J.	147
Nineteenth Ward	100,000	28,200	125 May 15	123¾ May 6	110	.....	6 J. & J.	128
National Bank of North America	700,000	593,000	132 May 13	125 April 4	130	.....	6 J. & J.	185
Oriental	300,000	406,800	200 Jan. 15	191 April 15	175	.....	10 J. & J.	235
Pacific	422,700	482,500	185½ Dec. 16	135½ Dec. 16	170	.....	8 Quar. F.	214
National Park	2,000,000	3,253,500	276 Jan. 27	250 Sept. 4	255	265	10 J. & J.	263
People's	200,000	235,700	....	....	250	260	10 J. & J.	218
Phenix National	1,000,000	361,900	109 Mar. 10	101 Sept. 23	107	110	6 J. & J.	136
Plaza	100,000	105,900	....	....	190	.....	.....	206
New York Produce Exchange	1,000,000	318,100	....	....	115	.....	6 A. & O.	131
National Bank of Republic	1,500,000	938,600	155 Mar. 13	139½ Aug. 14	145	155	8 J. & J.	163
Riverside	100,000	93,300	....	....	160	.....	6 Quar. J.	193
Seaboard National	500,000	301,500	173 May 27	170 Feb. 27	168	175	6 J. & J.	160
Second National	300,000	632,600	485 Dec. 17	485 Dec. 17	425	.....	12 J. & J.	321
Seventh National	300,000	105,400	105 Nov. 18	105 Nov. 18	100	.....	6 J. & J.	135
National Shoe and Leather	1,000,000	105,400	97 June 19	90 Oct. 9	90	94	.....	110
Sixth National	200,000	347,100	....	....	275	.....	12 J. & J.	274
Standard National	200,000	31,100	....	....	100	.....	.....	116
Bank of State of New York	1,200,000	500,900	111½ Jan. 30	106 Aug. 26	108	112	6 M. & N.	142
State	100,000	48,100	....	....	.....	.....	.....	148
Third National	1,000,000	260,600	110 April 23	100 Dec. 19	100	102¾	.....	126
Tradesmen's National	750,000	86,500	95 May 18	90 Nov. 6	93	95	.....	111
Twelfth Ward	200,000	137,300	....	....	.....	130	6 J. & J.	169
Twenty-third Ward	100,000	35,500	....	....	100	.....	6 J. & J.	135
Union Square	200,000	251,400	....	....	185	195	.....	225
United States National	500,000	589,800	205 April 1	200 April 1	175	.....	.....	218
Western National	2,100,000	420,000	116½ Dec. 17	110 July 31	114	117	.....	120
West Side	200,000	323,400	....	....	275	.....	12 J. & J.	261
Yorkville	100,000	92,900	....	....	175	185	.....	193

*National banks, official reports of December 17; State banks, December 9.

BANKING AND FINANCIAL NEWS.

This Department includes a complete list of NEW NATIONAL BANKS (furnished by the Comptroller of the Currency), STATE AND PRIVATE BANKS, CHANGES IN OFFICERS, DISSOLUTIONS AND FAILURES, etc., under their proper State heads for easy reference.

NEW YORK CITY.

—Messrs. Dominick & Dickerman have admitted to partnership M. W. Dominick, for fourteen years their stock clerk, and also Bayard Dominick, Jr. The Chicago branch of this house has been closed, but connections for the transaction of Chicago business have been made with Breese & Cummings, of that city.

—William H. Duff has retired from the firm of Moore & Schley, and Geo. F. Casilear has been admitted to the firm.

—H. H. Swasey has been appointed Assistant Cashier of the National Union Bank of this city. He has been acting in that capacity for some time, but his formal appointment to the position is recent. Mr. Swasey was formerly assistant National bank examiner in this city under Mr. Kimball, and is one of the many young men brought up in the Fifth Avenue Bank who have risen to important positions in other financial institutions.

—The suit of William E. Dickerman, proprietor of a so-called "Counterfeit Detector," against Secret Service Agent George R. Bagg, was dismissed in the United States Circuit Court on Jan. 6. In August, 1895, Secretary Carlisle rescinded Dickerman's permit to have counterfeits in his possession for the purpose of instructing others as to their character. It is alleged that Dickerman failed to obey the Secretary's order, and that in November, 1895, counterfeits were taken from him in Philadelphia by Chief Hazen's order. In the same month Dickerman was arrested on a warrant sworn out by Agent Bagg. A counterfeit $10 bill was found in his possession at the time, it is alleged, by the secret service officers, but the grand jury failed to find an indictment against him. Dickerman brought suit for damages against Bagg in the State courts, but Bagg succeeded in having the case transferred to the United States Circuit Court.

In this connection it should be said that about the only practical safeguards against counterfeits are to be found in the information sent out from time to time by the Secret Service Division of the Treasury.

—Messrs. Rogers & Gould, 7 Wall Street, have favored the MAGAZINE with a copy of their "Daily Rates for Money," showing the rate for call loans at the New York Stock Exchange each day during the year, also the movement of gold each week and the changes in the bank reserves.

—The annual meeting and banquet of Group IX. of the New York State Bankers' Association will be held at the Hotel Manhattan, February 9.

—The assets of the Murray Hill Bank have been finally turned over to Miles M. O'Brien and Spencer Trask, as Receivers.

—The Mining Exchange of New York, a new institution where mining shares are dealt in, opened January 5, at 38 Broad street. The officers are: W. C. Dornin, president; Louis Ross, Vice-President; Charles M. Stead, treasurer.

—The stockholders of the Central National Bank, of New York, of which Edward Langdon is President, voted January 8 to reduce the capital of the institution from $2,000,000 to $1,000,000. The withdrawn capital will be returned to the stockholders. Reasons for the reduction have been previously given in this department.

—Herbert L. Denny has been admitted to the firm of Harvey Fisk & Sons.

—The report of the forty State banks in New York city, which have been filed with the State Banking Department as of December 9, show a prosperous condition of affairs as compared with the reports filed with the department some time before the election on September 3. The total resources of the New York city banks amount to $168,559,191, an increase during the quarter of $10,548,092. The undivided profits amounted to $3,752,360, an increase of $687,873. The amount due depositors increased $6,167,237, to $112,709,108. The total surplus decreased $877,334, to $11,887,700. The loans and discounts increased $181,064, to $92,306,292.

The amount of specie, United States legal tenders, and circulating notes and cash items was increased by nearly $7,000,000.

—An interesting circumstance is noted in connection with the recent payment of certificates of the receivers of the Northern Pacific Railroad Company, amounting to more than $4,000,000. The money was collected in the first instance by the Mercantile Trust Company through the American Exchange National Bank. That bank, despite the fact that it disbursed more than $4,000,000 on that account early in the same week, showed a cash reserve equal to 36 per cent. of its deposits, holding actually more cash than it did the previous week. This bank also furnished not long ago a striking illustration of the small amount of cash used in settling commercial transactions. It sent checks and other items to the clearing-house one morning aggregating more than $9,000,000, and received back a little more than that amount in checks on itself, so that it only required $60,000 in cash to settle the balance, or less than one-half of 1 per cent. of the total transactions aggregating $19,000,000.

—G. S. Whitson, heretofore Assistant Cashier of the National City Bank, has been elected Cashier of that institution to fill the vacancy caused by the death of Geo. D. Meeker. James Ross Curran has been appointed Assistant Cashier, and William A. Simonson, Second Assistant Cashier.

—The members of the Stock Exchange firm of Price, McCormick & Co., which was dissolved at the end of the year by mutual consent, have formed a new co-partnership under the old title, with Mr. Geo. Crocker, of San Francisco, as special partner.

—L. Turnure, Jr., has withdrawn from the firm of Lawrence Turnure & Co. on account of ill health.

—Felix M. Warburg and Otto H. Kuhn have been admitted into the firm of Kuhn, Loeb & Co.

—The annual statement of the Title Guarantee and Trust Co. shows surplus and profits December 31, 1896, of $2,052,748, against $1,273,829 a year ago. Capital stock is $2,500,000. The income from examination and guarantee of titles in 1896 was $640,621. In 1889 it was $368,434. In 1889 the amount of mortgages sold to investors was $6,697,288. Last year it was $21,622,127.

—Acting on a resolution passed at a meeting of the Clearing-House Association, Manager William Sherer has issued a circular letter to fifty-three banks, not full members of the association, calling upon them for weekly average statements. The plan was adopted as a measure of precaution to guard against weakness in the association through absence of trustworthy information in regard to the affairs of affiliated members. The dues of the non-members clearing through other banks have been raised from $200 to $500.

—A new banking firm has been established at 5 Bowling Green by M. Lemmi & Co.

—Francis L. Hine, Vice-President and director of the Astor Place Bank, has been appointed Cashier of the First National Bank, succeeding the late Ebenezer Scofield. James W. Conrow succeeds Mr. Hine as Vice-President of the Astor Place Bank, and Henry A. Patten has been elected Cashier.

—Changes in the Mercantile National Bank, made necessary by the retirement of its President, Wm. P. St. John, are now completed in the advancement of J. V. Lott to the position of Cashier, which place was some time ago made vacant by the election of Frederick B. Schenck to the presidency. Mr. Lott has been connected with the bank since 1882. He was the bank's Assistant Cashier. Emil Klein, the discount clerk, was made Assistant Cashier.

NEW ENGLAND STATES.

Boston.—A special committee of Massachusetts Savings bank treasurers has recently been investigating the condition of the Boston National banks, and the decision arrived at is that there should be a reduction both in number and capitalization. The committee consists of Henry Parkman and Alonzo H. Evans, of Boston; Philip A. Chase, of Lynn; Charles J. Holmes, of Fall River, and Edward P. Chapin, of Springfield, and their report was mailed January 3 to the several institutions. In Boston there are sixty National banks, and the committee is unanimous in the opinion that there are too many and an excessive amount of banking capital. They recommend that five or six banks be eliminated, consolidating as much of their good will, assets and business as possible, with a reduction of the total capital stock of at least one-half, which should be paid back to stockholders.

The committee does not think it wise to press immediate consolidation of any banks. There is a feeling, however, among the treasurers of the Boston Savings Banks having large holdings in National banks that action should be taken in this direction as early as possible.

Massachusetts Savings Banks.—Greenfield (Mass.) bank men claim that the shire town of Franklin leads all other towns and cities in the State and possibly in the country in the amount of Savings bank deposits in proportion to population.

The following table, which shows the population and deposits in the principal places in Western Massachusetts, will be found of interest:

	Population.	Savings bank deposits.		Population.	Savings bank deposits.
Springfield	51,500	$20,600,000	Westfield	10,600	$2,500,000
Greenfield	6,200	6,075,000	Amherst	4,800	2,100,000
Holyoke	40,000	4,800,000	Athol	7,300	2,000,000
Northampton	16,709	4,500,000	Easthampton	4,800	900,000
Ware	7,600	3,700,000	Orange	5,300	800,000
Pittsfield	20,000	3,600,000	Adams	9,200	700,000
North Adams	19,300	3,300,000	Great Barrington	4,600	500,000

Connecticut Bank Reports.—On Dec. 30, E. R. Doyle and Sidney Crofut, the bank commissioners, submitted to Governor Coffin their report for the year ending October 1, 1896. The assets of the Savings banks of Connecticut show a total of $159,426,133, an increase of $7,150,020. A gain of $6,337,432 is shown in the total deposits during the year. The State banks show that the total assets have decreased by $315,563, but there has been such a decrease in the undivided profits that there is a net gain of $30,416. The assets and liabilities of the State banks are $8,356,515. The trust companies show assets and liabilities of $7,522,380. The most important recommendation made by the commissioners is that urging reform in investments in that class of securities known as "special assessment bonds." The commissioners say:

"We desire to call your attention to a matter concerning which we have taken legal counsel. Some Savings banks have been investing in a certain class of securities called street improvement bonds, issued by the cities located principally in Western States, and the payment for which securities is predicated on the collection of assessments from abutting property on certain streets. It is the opinion of our legal advisers that, while this class of bonds may come technically within the letter of the statute, they did not come within the intent of the legislation in making a law authorizing Savings banks to invest their deposits in the authorized bonds of certain cities."

Maine Bank Reports.—The annual report of Bank Examiner Timberlake, made public Jan. 1, shows the banking institutions of Maine to be in a flourishing condition. They number 52 Savings banks, 18 trust companies and 34 loan and building associations. Their aggregate assets on Nov. 7 were $70,459,586, an increase from last year of $1,982,359.

New Bank in Hartford.—A movement is on foot to establish a new bank at Hartford, Conn., with $100,000 capital, with privilege to increase to $500,000.

National Bank Retires.—On Dec. 23 the Holliston (Mass.) National Bank voted to receive no more deposits, dating from Jan. 1. It is probable that another bank with smaller capital will be organized.

Going out of Business.—The Miners' Savings Bank, at West Stockbridge, Mass., will go out of business, and a Receiver will probably be appointed in February. The bank has lost a great deal of business in the past few years, which it is thought can not be regained.

Mass. Trust Companies.—In his recent inaugural address Gov. Wolcott made the following recommendation regarding the organization of trust companies:

"I concur with my immediate predecessor in asking the Legislature carefully to consider whether restrictive legislation is not needed relative to trust companies.

It would seem possible to frame a general Act, permitting the incorporation of such companies under proper restrictions and subject to the approval of the Savings Bank Commissioners, and this course would relieve the Legislature from the importunity of individual petitioners.

In any event I suggest extreme caution in granting charters, to the end that the public may be properly guarded from speculative and insecure financial methods, and in my opinion it will be found in the long run unwise to grant such charters except in cases where a considerable capital is ready to be embarked in the enterprise."

MIDDLE STATES.

Meeting of Bankers.—The annual meeting of Group VI. of the New York State Bankers' Association was held at the Fort Orange Club, Albany, N. Y., Dec. 10. Officers were chosen as follows:

Chairman, J. H. De Ridder, Cashier Citizens' National Bank, Saratoga Springs; Secretary Jonas H. Brooks, Cashier Albany City National Bank, Albany; Executive Committee, J. Irving Wendell, Cashier Merchants' National Bank, Albany; W. A. Wait, Cashier Glens Falls National Bank, Glens Falls; W. G. Hanson, President Union National Bank, Schenectady; F. P. Salmon, Cashier State Bank, Chatham.

William Kemp, President of the Mutual National Bank, of Troy, presided at the banquet

and addresses were made by Judge Seymour Dexter, President of the New York State Bankers' Association, and President of the Second National Bank, Elmira, and by Wm. C. Cornwell, ex-president of the association, and President of the City Bank, of Buffalo. In discussing measures to further make the gold standard victory effectual, Mr. Cornwell spoke in part as follows:

"We need bank notes issued against assets and not against bonds, but this principle can be grafted on to the national system easily and beneficially, and we would so fall in line with other great and civilized nations.

Banks are the machines of trade. They are in daily touch with its most minute movement—automatically aware of its slightest need. The bank issuing notes depends upon its business depositor to take what he needs of them to pay out in the conduct of his business. This puts them into circulation. No more are taken out than business requires. Another business depositor, getting more of them than he needs, brings them to some other bank and deposits them. Under a proper system, bank notes are subject to daily redemption, just like checks, and the bank getting the notes will send them on to the issuing bank to get the money on them—just as if they were checks—so as to be prepared to redeem its own notes as they come in. The bank notes will thus circulate largely in the neighborhood where they are needed.

The increase in their number is regulated, consequently, by the requirements of trade, and the desire of the banks to get their own notes out because of the profit there is in them—the interest on them while they are out.

The decrease is effected by the pressure brought to bear by other banks who, striving to force their own notes out, send the notes of other banks in, and the total amount kept out can thus never be more than trade actually requires. The regulation of volume is automatic. There never can be inflation. There never can be contraction. When the crops are to be moved, the money will come out to move them. When the operation is over the bank currency returns as silently as it came. The whole movement is like the rise and fall of the resistless tide. We see thus the uses, the convenience, the essential propriety of notes issued by banks.

The Government bank has no depositors and can not get its notes into circulation through depositors as business needs them. It has no automatic method of getting information as to how much money is needed by trade, and could not act upon it if it had. The Secretary of the Treasury, ostensible manager of the banks, has his hands tied. The Government currency once out stays out. It drifts away from the towns of the West and South to the great cities of the East, and stays there to breed speculation from rotten plenty, while the farmers and merchants of the prairies and cotton fields are suffering from contraction.

Out of this agony of contraction and starving scarcity of money goes up the cry (and it is an honest cry) for more money. It grows ever and anon—it sweeps into a whirlwind—a wild appeal—the demagogue twists it to his foul purpose, and it becomes a call, now for silver, now for paper fiat, for unlimited issue, for lunacy and delirium.

Do you think you have quieted the cry for more money? It never will be quiet until these people with a legitimate want have that want supplied in a legitimate way."

Mr. Cornwell, in conclusion, expressed strong hopes of good results from the Indianapolis monetary conference.

New Bank Authorized.—On December 23 the Citizens' Bank, of Leroy, N. Y., capital, $50,000, was granted a certificate of authorization to do a discount and deposit business.

A Venerable ex-Cashier.—R. H. Thurman, for nineteen years Cashier of the First National Bank, of Troy, N. Y., is one of the very old and valued subscribers to the BANKERS' MAGAZINE, his subscription dating from 1853. He had also been a subscriber to RHODES' JOURNAL since 1880. The bank's charter expired in 1888, and the business was wound up in November, 1884. It did an exceedingly profitable business. Mr. Thurman was born in 1811, and had a long and prosperous career as a banker.

Philadelphia.—At a meeting held on December 15th the capital stock of the Investment Company of Philadelphia was reduced from $4,000,000 to $800,000. Notice had been given by the State Bank Commissioner that unless the reduction in capital was made the appointment of a Receiver would be necessary.

—Robert J. C. Walker, of the firm of Powers & Weightman, manufacturing chemists, has been elected a director of the Fourth Street National Bank, in place of Geo. F. Tyler, deceased.

—The annual meeting of the Bank Clerks' Mutual Benefit Association was held December 8. There are now 485 members. The treasurer reported a balance on hand of $38,009. Since organization $93,650 have been paid out to the families of deceased members.

Washington, D. C.—Charles J. Bell, President of the American Security and Trust Co.,

will be chairman of the committee having charge of the ceremonies at the inauguration of President McKinley.

New York Trust Companies.—A decision by the Attorney-General of New York, is to the effect that under the laws the reports of trust companies, which are filed with the local assessors each year for the purpose of taxation, should be filed on June 15, when moneyed corporations, other than banks, file their reports, instead of on July 1, when banking institutions file such reports with local assessors.

SOUTHERN STATES.

New Orleans, La.—An item in the news department of last month's MAGAZINE, intended to refer to the reopening of the Union National Bank, incorrectly gave the title as the "Southern" National. The resumption of the Union National seems to have taken place under most satisfactory conditions.

Bank Real Estate Taxable.—The Alabama Supreme Court has recently handed down an opinion in the case of the Jefferson County Savings Bank *vs.* the Collector of Jefferson, which is important to banks in that State. The bank was assessed in the amount of the capital stock alone, stock being assessed at par. The bank, however, owned certain real estate on which it declined to pay tax, claiming it was part of the capital stock. The decision holds that the real estate is liable to taxation separate from the capital stock. It will affect all of the banks of the State.

Change in Business.—Steele & Sparks, bankers at Georgetown, Texas, have transferred their deposits to the First National Bank, and will retire from the banking business.

Norfolk, Va.—The Citizens' Bank here is having plans prepared for a new bank building, to be a combination of bank and office building, nine stories high.

Bank Paying Off.—The failed Merchants' Bank of Atlanta, Ga., began payment of an installment of fifteen per cent. to depositors on Dec. 15.

Memphis, Tenn.—The title of the Bank of Commerce has been changed to the National Bank of Commerce.

Georgia Bankers Progressive.—The Georgia Bankers' Association has decided to enter into competition with the United States and the express companies in the transmission of money. Secretary Hillyer explains that the association will issue circular checks for not exceeding $50. These checks are payable at any bank in the association, or by any bank named on the back of the check.

Bank did not Suspend.—In the last issue of the MAGAZINE it was stated that the Citizens' Bank, Midlothian, Texas, suspended Nov. 30. This was an erroneous statement, as the bank simply discontinued business on Nov. 29, the business being unprofitable. Depositors were paid in full before the bank was closed and everything was entirely satisfactory to all parties concerned.

North Carolina Finances.—The total banking resources of North Carolina, according to a late report, are $20,000,000, in round numbers. This sum is divided as follows: 28 National banks, $10,624,000; 40 State banks, $6,428,000; 19 private banks, $1,617,000; 6 Savings banks, $1,289,400. The total banking capital exceeds $5,400,000. North Carolina has an interest-bearing debt amounting to $6,080,700, on which $297,638 annual interest is paid.

A Strong Southern Bank.—Attention is directed to the especially strong showing made in the statement of the South Texas National Bank, of Houston, to be found in the advertising pages of the MAGAZINE. That the bank is ably managed is evidenced by the fact that it has made a gain in its rate of net earnings at a period when many other banks report a falling off. The bank is well prepared to meet any possible demand that may be made upon it, having cash resources of $660,023—equal to its entire liabilities, except capital stock. While this statement is an evidence that the bank is pursuing a conservative policy, its management has been so capably conducted that the progress made by the bank has been entirely satisfactory to its directors and shareholders.

WESTERN STATES.

Kansas City, Mo.—The Kansas City bank clearings for the last month of 1896 were greater than for any other month of the year, and 6 per cent. more than for the corresponding month of 1895. It is claimed that Kansas City's bank clearings are larger, in proportion to population, than the clearings of any other city except New York.

Dakota Bankers Protest.—The executive committee of the South Dakota State Bankers' Association has decided to fight the collection of bank taxes on account of the 50 per cent. increase made by the State board of equalization. They claim the increase uncon-

stitutional, urging that the board has no right to select a certain line of taxable property and raise its valuation without changing other classes.

Chicago.—The General Trust Co. of Illinois has filed articles of incorporation with $5,000,000 capital.

—The International Hypothecate Bank, of this city, has been incorporated in Iowa. Authorized capital, $10,000,000. It is proposed that the company shall transact a general mortgage banking business, act as agent, receiver, attorney and assignee, and issue debentures based on municipal loans to an amount not exceeding $200,000,000.

—Reports are current of the probable consolidation of some of the smaller National banks.

—On January 6 John W. Doane resigned as President of the Merchants' Loan & Trust Co.

—An important capture of forgers and bank swindlers was made in this city on January 6. They had succeeded in illegally obtaining considerable sums from banks in various cities. Their plan consisted in securing the signature of a victim and then forging it.

Candidate for Comptroller.—Geo. H. Ford, National bank examiner for Northern Ohio, is said to be a candidate for Comptroller of the Currency.

Responsibility of Directors.—Bank Examiner Kidd, of Wisconsin, recently sent out a letter to the banks of that State urging renewed vigilance on the part of directors. He says: "It is their business to know that the transactions of the bank with which they are connected are properly carried out, and that such methods should be adopted as will effectually prevent dishonesty and loose business practices. Attention is called to the fact that our courts are generally holding that directors are personally responsible for the proper management of their respective banks, and will be held liable for any losses that may occur where it can be shown that they have neglected their duty."

Nebraska Bank Resumes.—The First National Bank, Beatrice, Nebr., which has been closed since September 1, having complied with the conditions of the Comptroller of the Currency, and its capital being unimpaired, was permitted to resume business on December 17.

Denver, Colo.—The American National Bank, which has been in a state of suspense for some time, resumed business on January 7 with Julius A. Myers as President.

Colorado's Mineral Production.—The total value of the mineral production of Colorado for the year 1896 was: Gold, $17,512,385; silver, commercial value, $14,787,180; lead, $2,887,109; copper, $1,067,000; total, $36,253,674.

The output of gold fell $2,000,000 short of expectations, but, notwithstanding this disappointment, the State stands at the head of the list of producers of both gold and silver, California coming second with a gold record of $16,500,000, and Montana third, with $4,500,000 in gold and $10,000,000 in silver.

Des Moines, Iowa.—W. E. Shepherd, for three years Cashier of the American Savings Bank, has sold his interest in the bank to C. A. Crawford, of Sheboygan, Wis., who will succeed Mr. Shepherd.

Columbus, Ohio.—It is expected that at the annual meeting on January 13 the Ohio Savings Bank will formally change its organization into a National bank. Stock in the new bank will be placed at 110, and the total issue will be $400,000 or more.

—Changes have been effected in the National Bank of Columbus, a controlling interest having been purchased by local capitalists. An increase in the capital is probable.

Minneapolis, Minn.—E. W. Decker has been elected Cashier of the Metropolitan Bank, succeeding E. R. Gaylord, resigned. Prior to his promotion Mr. Decker was Asst. Cashier. He was also connected with the Northwestern National Bank for eight years.

—The volume of banking business done in Minneapolis for 1896 shows a large increase as compared with 1894-95. Over the year 1895 an increase is shown of about $21,574,493, and over 1894 of $85,000,000.

—David C. Bell, Receiver of the City Bank, gives notice to the creditors of that institution that he will be ready with another dividend on January 20. This will be the fourth dividend paid by the Receiver.

—The Bankers' Exchange Bank, one of the recently suspended banks, resumed business on January 7.

Too Many Kansas Banks.—State Bank Commissioner John W. Breidenthal, of Kansas, predicts that the number of banks in that State will decrease materially within the next two years. He says there are too many banks in Kansas for the amount of business transacted, and he advises consolidation wherever feasible. "It is simply a question of time whether many of these institutions shall go into voluntary liquidation or be forced to sus-

pend," says the Commissioner, "and in order to prevent the latter, I have advised a general consolidation all over the State, especially in the smaller towns."

Detroit, Mich.—John H. Johnson, formerly Asst. Cashier, has been promoted to the cashiership of the Peninsular Savings Bank, in place of Joseph B. Moore, who declined re-election. Charles F. Lawson was chosen Assistant Cashier.

—The Union Trust Co. has re-elected its old board of officers.

—Collins B. Hubbard has been elected President of the Citizens' Savings Bank.

—The Preston National Bank recently reduced rates on banks' and bankers' money from 3 to 2½ per cent., and on certificates of deposit from 4 to 3 per cent. Old certificates will be renewed at 3½ per cent. Other banks will follow this reduction.

Bank Discontinued.—The officers of the Farmers and Citizens' Bank, Paola, Kan., having nearly all been elected to public offices, have decided to put the bank in liquidation.

Michigan Bank Change.—The State Savings Bank of Ionia, Mich., is the successor of the First National Bank. The officers are: V. H. Smith, President; O. S. Tower, Vice-President; F. A. Sessions, Cashier.

Probable Reorganization.—Consent is being asked of the shareholders of the State National Bank, St. Joseph, Mo., to reorganize under the State banking laws, reducing the capital from $500,000 to $200,000.

Dollar Wheat in Kentucky.—Kentucky farmers are probably not very sorry for the part they took in rebuking the free silver heresy, as may be inferred from the following newspaper despatch under date of Dec. 11:

"There are a few farmers in Woodford who are fortunate enough to have held their wheat and corn, and now they are reaping the benefit of advanced prices. Roger R. Early sold 2,500 bushels of wheat yesterday at $1 a bushel, and 1,500 barrels of corn at $1 a barrel. Some of the holders of wheat in this section expect to get $1.25 for wheat."

St. Louis.—The St. Louis United States Sub-Treasury became a member of the local Clearing-House Association on Jan. 3. This step has the approval of Secretary Carlisle, and will render unnecessary the annual transfer of about $100,000,000 between the banks and the Sub-Treasury.

Cashier Taylor Acquitted.—On Dec. 15, George A. Taylor, Cashier of the defunct Argentine (Kan.) Bank was discharged from custody, the charge of receiving deposits when the bank was in a failing condition being unsupported.

Superior, Wis.—This city has been a severe sufferer from bank failures in the last year or so. In view of this, officials of various banks are said to be interested in a plan to reorganize and consolidate with a capital of $310,000, sufficient to command the business of the flour mills and elevators, which now goes to Duluth.

PACIFIC SLOPE.

San Francisco.—The semi-annual statement of the Hibernia Savings and Loan Society, a mutual savings bank, under date of December 31, showed deposits of $34,524,952—the largest amount ever reported.

—At the date of the last report the total resources of the Savings banks of this city were $112,877,000. The deposits amount to $103,851,000.

—Since the discovery of gold in California in 1848 the State has produced an amount of the metal of the value of $1,368,429,278.

Montana's Mineral Output.—The value of the mineral output of Montana for the year 1896 was as follows: copper, $22,400,000; silver, $10,725,000; gold, $4,000,000; lead, $875,000; total, $38,300,000.

CANADA.

Interest Reduced.—Several banks doing business in Toronto have issued circulars to those who have savings deposits with them, stating that henceforth the interest of 3½ per cent. on such deposits will be reduced to 3 per cent. This is not to apply to money deposited on special receipts and agreed to be left in the bank for a certain time. Upon such amounts the interest will still be 3½ per cent. This arrangement has been carried out by some of the banks for a year or two past, but in the case of others its adoption is recent.

Bank Note Engraving.—The contract for the Dominion Government engraving has been awarded to a New York firm for a period of five years. The contract is worth about $600,000. The work consists of printing postage stamps, postal cards, etc. The New York company was the lowest bidder.

FAILURES, SUSPENSIONS AND LIQUIDATIONS.

Alabama.—The Commercial Bank, of Selma, a State institution, made an assignment on December 30. The local depositors agreed to an extension, but it is understood that several New York banks, which were creditors for about $600,000, would not agree, and hence the assignment. The bank is one of the two leading ones in Selma. The suspension of the bank was followed by the suicide of G. B. Wilkins, the Vice-President.

California.—The Grangers' Bank, San Francisco, which went into liquidation over a year ago, will pay all depositors in full. A statement of the bank's condition is as follows: Assets, $631,179; liabilities, capital paid in, in coin, $533,783; due depositors, $56,395; due banks and bankers, $41,000; total, $631,179. Part of the amount due them has already been paid depositors.

Connecticut.—The Iowa Mortgage Co., Hartford, was placed in the hands of Wm. F. Fuller, Receiver, Jan. 2. It was organized in Iowa in 1882, and at Hartford in 1886. The sum of $318,755 is owing the company on guaranteed loans and $614,899 on loans unguaranteed. It is estimated that the appraised values of the properties back of the guaranteed loans will aggregate $950,000, and back of the unguaranteed loans $1,500,000.

Illinois—CHICAGO.—The past month has witnessed a number of bank suspensions here, the situation at one time closely bordering on a bank panic, but the excitement has now passed away.

On December 21 the National Bank of Illinois closed, as a result of its suspension from membership in the Chicago Clearing-House Association. The essence of the trouble with this bank was that the entire capital, $1,000,000 surplus, and undivided profits of $315,000 were practically loaned in one or two hands. The bank had advanced some $1,500,000 on Calumet Electric Railway stock, a property of momentarily, at least, doubtful security, while nearly $500,000 was loaned to E. S. Dreyer & Co., who in turn had spread their capital over an expanse completely out of their power to handle. Other large loans to individuals more than completed the sum of the bank's capital and surplus. On October 6 the total assets of the bank were placed at $15,539,442, and the deposit liabilities were $12,175,766, of which $8,547,588 was due to individuals and $3,628,178 to banks.

W. A. Hammond, 2d Vice-President of the bank, committed suicide on January 2. Benjamin B. Jones, a former paying teller, and Joseph H. Wilson, a former receiving teller of the bank, are charged with the embezzlement of $19,800. The crime was committed in the summer of 1895.

The Comptroller of the Currency has declared a dividend of 50 per cent. to the creditors, payable on January 20.

Wasmansdorff & Heineman closed on December 21, owing to the failure of the National Bank of Illinois.

On December 28 the Atlas National Bank discontinued business, the clearing-house agreeing to advance money to pay all claims. The statement made December 17 showed that it had loans amounting to $1,941,742, and deposits of $1,860,412. The immediate cause of trouble was the withdrawal of $400,000 of county funds, and complications growing out of the failure of the National Bank of Illinois.

The Dime Savings Bank, on account of close relations to the suspended Atlas National, was compelled to enforce the rule requiring ninety days' notice of withdrawals. It is probable that the bank will discontinue business. The institution was organized in 1869 as the Bank of Cairo. Three years later it was removed to Chicago and renamed the Dime Savings. It has remained continuously in business ever since, and was the oldest exclusive Savings bank in the city.

E. S. Dreyer & Co., an old-established banking firm, also suspended on Dec. 21. This failure will probably prove a disastrous one to creditors. With about $1,400,000 of liabilities, the cash on hand at the time of the failure was only $9,000. Charges of serious irregularities are made in the conduct of the mortgage business of the firm.

—On Dec. 28 Wm. M. & J. S. Van Nortwick, bankers at Batavia, assigned, owing to the closing of the Atlas National Bank, Chicago. Liabilities about $1,000,000 and assets, estimated, $750,000. They were also largely engaged in the manufacture of paper. William M. Van Nort-

wick borrowed $300,000 from the Atlas National Bank to complete the paper mills. The mills are bonded for $1,000,000, and a deal had been almost completed whereby some Boston and New York capitalists were to take the bonds.

—There was a temporary suspension of the Roseland Bank, Roseland, on account of the other failures, but an examination of the bank's condition showed it to be solvent and it has resumed business.

—John A. Prickett & Son, Edwardsville, assigned Dec. 14. Assets consist of about $15,000 in cash and $285,000 in real estate.

—The Calumet State Bank, at Blue Island, closed Dec. 24, making an assignment to Melville C. Eames. A statement was filed, showing that the assets are $87,669 and the liabilities $68,000. The failure was due to a run which followed the suspension of the National Bank of Illinois.

Iowa.—On Jan. 4 the First City Bank, Nora Springs, assigned to Byron Gammidge.

—On Dec. 10 a State bank examiner took possession of the Harlan State Bank. Its capital is reported at $50,000 and deposits $75,000. It is thought that the assets will pay the depositors and leave a little for the stockholders.

Michigan.—On Jan. 2 the bank examiner closed the Whithall State Savings Bank, Whitehall. The last report issued shows about $80,000 in deposits and about $2,000 on hand; loans and discounts, $92,030; stocks, bonds and mortgages, $4,500; surplus, $1,000.

—Receiver Foster of the defunct People's Savings Bank of Lansing, has filed his report. It is estimated that the depositors will receive ten cents on the dollar.

Minnesota—ST. PAUL.—The temporary condition of semi-panic, which prevailed in this city and Minneapolis during the closing week of the old year and the beginning of the new, was due chiefly to the Chicago bank failures.

On Dec. 22 the Bank of Minnesota suspended. In the past three years individual deposits had fallen off to a large extent. The bank was capitalized at $600,000 and was considered strong. Efforts are being made to reorganize. Wm. H. Lightner and Frank A. Seymour are in charge as Receivers. The bank is indebted to depositors in the sum of $2,341,000. As the capital stock is $600,000, and every stockholder is liable to twice the amount of his stock, it is pretty certain that depositors will be paid.

The Union Stock Yards Bank of South St. Paul, which cleared through the Bank of Minnesota, and was closely affiliated with it, also suspended.

On January 8 J. F. Fitzpatrick was appointed Receiver for the Bank of North St. Paul. Deposits, $21,000; assets, $35,000.

On January 4 the Germania, the Allemania and the West Side Banks, suspended.

The last official statement of the Germania Bank showed total resources of $1,625,768, $253,847 of this being in the building and $975,420 in loans and discounts. Liabilities $1,625,768, including $400,000 capital stock and $633,019 in time certificates of deposit. Deposits subject to check, $345,191.

The total resources of the Allemania, according to their report of the same day, were $1,061,009, including $706,842 of loans and discounts. Liabilities $1,061,009, including capital stock of $400,000 and deposits of $329,789.

The official statement of the West Side Bank, made to the State bank examiner on Dec. 17, is: Total assets, $217,014. Of this $150,000 was in loans and discounts and $28,000 in real estate. The total deposits were $113,546. The furniture and fixtures represented $2,200 and bills rediscounted $1,500.

—The Bank of Canton, at Canton, with a capital of $10,000, and the Citizens' Bank of Lancsboro, a small institution, both owned and operated by Field, Kelsey & Co., suspended business January 6.

—The National Bank of Commerce, Duluth, which had lost nearly $150,000 of deposits in the past four months, closed on December 11. Its last statement showed undivided profits of $10,000, deposits of $200,000, and loans and discounts of $375,000.

MINNEAPOLIS.—On December 29 the Columbia National Bank suspended. Liabilities, except capital, are $247,000, and assets $450,000.

The Scandia Bank closed on December 28. It was organized fifteen years ago by Mr. Grinager, a prominent Scandinavian politician, who died in 1898. It is officially estimated that the liabilities of the bank will aggregate $300,000, The assets consist largely of real estate, and loans and discounts, and with a reasonable realization will net, it is thought, above that amount, possibly reaching $350,000.

The Washington Bank closed on December 29. It had a capital of $100,000, and by its statement of December 17 had $507,145 loans and discounts, $14,228 overdrafts secured, $20,165

in stocks and bonds, $14,475 in real estate, and $88,272 cash on hand. Its deposits were $346,153; its certified checks, $112,587; bank deposits, $84,967.

The Bankers' Exchange Bank suspended December 30, but resumed business on January 7.

On December 30 Vice-President Geo. E. Maxwell applied for a Receiver for the Northern Trust Co., and Daniel Fish was appointed by the court. Mr. Maxwell, as Receiver of a building and loan association, had a deposit with the Northern Trust Co., which he demanded, and the demand being refused he applied for a Receiver.

Some of the bank failures at St. Paul and Minneapolis were due to bad management, resulting in impairment of capital, while others were due to runs by frightened depositors. There are probably enough perfectly solvent banks left in both cities to satisfactorily transact the present volume of business.

Missouri—KANSAS CITY.—Resumption of the failed Missouri National Bank is now thought to be improbable. An estimated deficit of $350,000 is reported in the actual value of the assets compared with the face value.

—The assignees of the Henry County Bank, Clinton, have made a report showing the following: Assets—notes, $139,467; real estate, $32,200; personal property, $20,166; cash on deposit, $5,876; total assets, $197,710. Liabilities, $132,783, leaving nearly $65,000 more assets than liabilities.

—The McCoy Banking Co., of Independence, went into voluntary liquidation December 28. The reason given is that its President, William McCoy, is too advanced in years to manage its affairs longer. The capital stock of the bank is $50,000. On August 10, when the last report was made, it owed to its depositors $55,180. Its outstanding loans amounted to $72,262.

Nebraska—OMAHA.—The Omaha Savings Bank closed January 2. The deposits had decreased enormously of late. The face value of assets almost reaches $1,100,000, and capital and surplus are $185,000. An approved bond has been given assuring the payment of all claims within four years, and the liquidation will be conducted by the officers.

—The First National Bank, Alma, capital, $50,000, was reported closed on January 9. Liabilities, $134,000, including $40,000 of State deposits.

New Mexico.—The San Juan County Bank, of Aztec, was closed on January 9, owing to poor business. Depositors will be paid through the Smelter City State Bank of Durango, Colo.

New York.—The First National Bank, Niagara Falls, organized in 1893, suspended on December 11. There had been heavy withdrawals of deposits, and changes in management recently. Assets and liabilities are about $300,000. The President of the bank accuses the Cashier of loaning about $80,000 to the president of the Street Railway Company, of the Cataract Milling Company, and a director of the power company, without the knowledge or consent of the directors or other officers of the bank.

North Dakota.—The Second National Bank, Grand Forks, suspended December 31. The last statement at the close of business December 17 showed loans and discounts, $158,086; due from National and State banks and approved reserved agents, $9,342; due to banks and depositors, $179,749; rediscounts, $4,600; capital stock paid in, $50,000; undivided profits, $4,000.

—The Merchants' National Bank, of Devil's Lake, closed January 4. The bank was organized in 1887 with $50,000 capital. Two or three years later E. Ashley Mears bought the controlling interest and increased the capital to $100,000. In 1892, when Mears' string of banks and other concerns went down, the affairs were put in the hands of John A. Percival, the stock being reduced to $50,000, but the recent hard times were too much for it. The last statement showed $47,000 deposits.

Ohio.—The firm of Jonathan Esterly & Co., Columbiana, has gone into the hands of Receivers. Jonathan Esterly died recently. Assets of the firm are about $200,000, and deposit liabilities, $165,000.

—The banking house of Smith, Holtz & Ranney, Greenspring, went into the hands of a Receiver on January 11. A misappropriation of $10,000 of the bank's funds is alleged.

Pennsylvania.—The First National Bank, of Hollidaysburg, suspended December 14, owing to a run. The bank was organized in 1863, is capitalized at $50,000, and is one of the oldest fifty-seven National banks in the United States. The officials say that the suspension is only temporary, and that the bank will be reopened without any financial loss to the depositors after the work of reorganization is completed.

—The Martinsburg Deposit Bank, of Martinsburg, and the Williamsburg Bank of Williamsburg, have also suspended. These two banks were branches of the First National Bank, Hollidaysburg, and were unincorporated.

The Martinsburg Deposit Bank was established in 1870, and had a capital of $25,000.

The Williamsburg Bank was controlled by Jack, Blair, Watson, Morrow & Co. Col. Wil-

liam Jack has been the President, and John Clark, of Williamsburg, the Cashier since its establishment in 1873. A capital of about $30,000 was used.

Rhode Island.—PROVIDENCE.—The creditors of Miller & Vaughn, insolvent bankers and brokers, have accepted an offer of fifteen cents on the dollar. Liabilities are $181,000.

South Dakota.—The new bank recently organized at Webster, is already insolvent. T. E. Egge, the moving spirit, collected 50 per cent. of the capital stock and deposited it in the Bank of Minnesota of St. Paul and the Columbia National Bank of Minneapolis. The new bank was to be of $20,000 capital, and to commence business January 1, 1897. Mr. Egge has given his personal note to the stockholders. The amount involved is $14,500.

Texas.—The Merchants and Planters' National Bank, of Bryan, was reported suspended on Dec. 24. It was established in 1889 with $100,000 capital.

—The recent failure of the Security Mortgage and Trust Co., Dallas, is reported. It is said that eastern creditors will lose more than $1,500,000.

Virginia.—The Commercial National Bank, of Roanoke, closed December 29, owing to a heavy run. On December 9, J. C. Davenport, Cashier, resigned, and his successor was elected. The matter was kept quiet until recently when Davenport left the city for his home in Charleston, W. Va., and it is stated that as soon as this became known a general run was made on the bank, and it was compelled to suspend. The deposits were less than $100,000.

Washington.—On January 12 the Seattle Savings Bank failed to open its doors, and on application of one of the directors, H. O. Shuey was appointed Receiver. The liabilities are $70,000, and the assets over $150,000.

Many of the deposits in this bank were withdrawn during the recent election excitement. As the deposits decreased the bank was compelled to dispose of its large line of warrants in order to keep its cash up to the required reserve. It is understood that the direct cause of the failure is due to the attempted withdrawal of county funds by the retiring county treasurer.

Wisconsin.—The German-American Bank, Portage, which was reported in an insolvent condition some time since, made an assignment on December 1.

—The Commercial Bank, Eau Claire, suspended January 7, and C. M. Buffington has been appointed Receiver.

—The Bank of Superior, doing business at Superior, assigned on December 28, to Henry S. Butler. The capital of the bank was $25,000, with a surplus of $6,000. The deposits were nearly $100,000, including $13,210 of city funds. This makes nearly $30,000 of public funds tied up in a week.

—The Bank of West Superior, capital $50,000 and $50,000 surplus, suspended December 28, as a result of the failures of the Bank of Minnesota and the National Bank of Illinois. At the November statement the bank had deposits of $78,947, and rediscounts of $1,505. The loans and discounts were $106,971; real estate assets, $43,419; bonds and securities, $5,391, and cash on hand, $22,259. Of this cash on hand, $20,000 was in the outside failures which compelled the institution to close. The officials say they expect to resume and pay depositors in full.

Indianapolis Monetary Conference.—The National Monetary Conference, in session at Indianapolis, on January 13, adopted the following declaration:

"This conference declares that it has become absolutely necessary that a consistent, straightforward, and deliberately planned monetary system shall be inaugurated, the fundamental basis of which should be:

First—That the present gold standard should be maintained.

Second—That steps should be taken to insure the ultimate retirement of all classes of United States notes by a gradual and steady process, so as to avoid injurious contraction of the currency or disturbance of the business interests of the country, and that in such retirement provision should be made for a separation of the revenue and note-issue departments of the Treasury.

Third—That a banking system be provided which should furnish credit facilities to every portion of the country and a safe and elastic circulation, and especially with a view to securing such a distribution of the loanable capital of the country as will tend to equalize the rates of interest in all parts thereof."

The executive committee was empowered to work in behalf of legislation by the next Congress providing for the appointment of a National Monetary Commission. Failing to secure this legislation, the committee is authorized to select a commission of eleven members.

A more extended report of the conference, including the resolutions in full, will appear in the next number of the MAGAZINE.

NEW BANKS, CHANGES IN OFFICERS, ETC.

NEW NATIONAL BANKS.

The Comptroller of the Currency furnishes the following statement of New National banks organized since our last report. Names of officers and other particulars regarding these New National banks will be found under the different State headings.

5052—First National Bank, South McAlester, Indian Territory. Capital, $50,000.
5054—First National Bank, Thompson, Iowa. Capital, $50,000.
5055—Charlotte National Bank, Charlotte, North Carolina. Capital, $125,000.

The following notices of intention to organize National banks have been approved by the Comptroller of the Currency since last advice.

People's National Bank, McDonald, Pa.; by J. P. Scott, *et al.*
First National Bank, Paul's Valley, Ind. Ter.; by C. J. Grant, *et al.*

NEW BANKS, BANKERS, ETC.

CALIFORNIA.

JACKSON—Bank of Amador County.; Pres., V. W. Gaskill; Vice-Pres., F. C. Siebe; Sec. and Treas., A. J. Farron.
SAN DIEGO—American Exchange Bank; Pres., Benjamin Evans; Cas., N. T. Horton.

COLORADO.

DENVER—Pacific Trust Co.; capital, $100,000.

GEORGIA.

ATLANTA—Finance Banking Co.
UNADILLA—Unadilla Bank; capital, $15,000; Pres., R. L. Barfield; Vice-Pres. J. A. Wilson; Cas., R. L. Wilson.

ILLINOIS.

CHICAGO—John J. P. Odell & Co.
HERRICK—J. H. Sutton & Son; capital, $8,000.
SPRINGERTON—Citizens' Bank.

INDIANA.

MONTICELLO—Farmers' Bank; Pres., Gustavus Lowe; Cas., Harry Lowe.

INDIAN TERRITORY.

SOUTH MCALESTER—First National Bank; capital, $50,000; Pres., C. C. Hemming; Cas., E. T. Bradley.

IOWA.

ATLANTIC—Farmers' State Bank; Cas., D. P. Hogan.
HORNICK—Commercial Bank.
LE ROY—Exchange Bank (branch of Tiffin Bank, Garden Grove); Pres., C. S. Stearns; Cas., G. M. Russell.
MASSENA—Farmers' State Bank; Cas., D. P. Hogan.
ROCK VALLEY—Large Bros. (successors to William Mulhall); Pres., I. S. Large; Cas., John J. Large.
SHELL ROCK—Iowa State Bank; capital, $25,000; Pres., L. H. Sevarine.
THOMPSON—First National Bank; capital, $50,000; Pres., C. H. Kelley; Cas., F. W. Thompson.

KANSAS.

ARKANSAS CITY—Farmers' Savings Bank (successor to First National Bank); capital, $50,000.
GARNETT—Bank of Commerce; capital, $20,000; Pres., C. Q. Chandler; Vice-Pres., W. H. Sloan; Cas., E. E. Masterman.

KENTUCKY.

CAVE CITY—People's Bank.

MAINE.

DEXTER—Dexter Loan and Trust Co.

MARYLAND.

TOWSON—Commercial Collecting Co.; Mgr. and Treas., W. C. Cranmer.

MICHIGAN.

GRAND RAPIDS—Farmers and Mechanics' Bank; organizing.
IONIA—State Savings Bank (successor to First National Bank); capital, $50,000; Pres., V. H. Smith; Vice-Pres., O. S. Tower; Cas., F. A. Sessions.
OSCODA—Gowanlock & Dodds (successors to Iosco County Savings Bank); capital, $25,000.

MINNESOTA.

MAPLETON—Mapleton State Bank; capital, $10,700; Pres., John R. Norton; Cas., S. H. Whitney.
PINE CITY—First State Bank; Pres., Fred A. Hodge; Cas., P. H. McAllen.

MISSOURI.

MARYVILLE—Real Estate Bank; capital, $30,000; Cas., G. S. Baker.
PILOT GROVE—Harriman Bank Co.; capital, $5,000; Pres., W. P. Harriman; Vice-Pres., Russel Harriman; Cas., R. A. Harriman; Asst. Cas., Bert Harriman.

NEBRASKA.

GOTHENBURG—People's State Bank (successor to First National Bank); capital, $30,000; Pres., L. C. Lloyd; Cas., Con W. Lloyd; Asst. Cas., S. C. Lloyd.

NEW YORK.

NEW YORK CITY—M. Lemmi & Co.

WALDEN—National Bank of Walden; Pres., Geo. W. Stoddard; Vice-Pres., N. J. Fowler; Cas., W. C. Stevens.

NORTH CAROLINA.

CHARLOTTE—Charlotte National Bank (successor to Heath Bros.); capital, $125,000; Pres., B. D. Heath; Cas., W. H. Twitty.

CONCORD—Cabarrus Savings Bank; Cas., Jas. C. Gibson.

OHIO.

ORWELL—Orwell Banking Co.

PORT CLINTON—Magruder Bank Co.; capital, $25,000.

TOLEDO—Ohio Savings Bank and Trust Co.; capital, $150,000; Pres., David Robison, Jr.; Vice-Presidents, Dennis Coghlin and Geo. E. Pomeroy; Sec. and Treas., J. J. Robison.

OKLAHOMA.

CUSHING—Bank of Cushing; Pres., J. Hough; Cas., Frederick L. Pitman.

PERKINS—Payne County Bank.

SOUTH DAKOTA.

HETLAND—Hetland Bank (J. C. McClain.)

SISSETON—Sisseton State Bank; capital, $6,000; Pres., James Ross; Vice-Pres., G. J. Jenkins; Cas., H. S. Morris.

TENNESSEE.

CEDAR HILL—Cedar Hill Bank.

PIKEVILLE—Citizens' Bank; capital, $15,000; Pres., Will S. Loyd; Vice-Pres., F. M. Henry; Cas., Sam M. Pope; Asst. Cas., Joe W. Pope.

TEXAS.

DALLAS—Guarantee Savings and Trust Co.

EAGLE LAKE—Vineyard, Walker & Co.

VERMONT.

WATERBURY—Waterbury Savings Bank and Trust Co.

VIRGINIA.

DANVILLE—People's Savings Bank; Pres., W. P. Hodnett; Vice-Pres., C. C. Dula; Cas., W. F. Patton.

WASHINGTON.

ELLENSBURG—Miller & Hough; Pres., John S. Miller; Cas., Geo. S. Hough.

GOLDENDALE—First Bank (J. G. Maddock); successor to First National Bank.

WEST VIRGINIA.

SAINT MARY'S - Pleasants County Bank; capital, $50,000.

WISCONSIN.

DARIEN—Farmers' State Bank; capital, $15,000; Pres., Wm. K. Pattison; Cas., J. R. Eagan.

HUDSON—Bank of Hudson; capital, $25,000; Pres., Harry L. North; Vice-Pres., F. J. Carr; Cas., N. B. Bailey.

KENOSHA—Farmers' State Bank; Cas., H. B. Robinson.

MEDFORD—Commercial State Bank; capital, $25,000; Pres., F. D. Shaw; Cas., Lee H. Gibson; Asst. Cash., K. Andrews.

NEILLSVILLE—Victor E. Huntzicker; capital, $20,000.

CANADA.

BRITISH COLUMBIA.

KASLO—Bank of British Columbia.

SANDON—Bank of British North America (J. L. Retallack).

ONTARIO.

MOUNT FOREST—T. Clarke & Co.

CHANGES IN OFFICERS, CAPITAL, ETC.

ALABAMA.

CAMDEN—Camden Bank; absorbed by Camden Bank and Mercantile Co.; capital, $18,000; S. J. Walling, Cas.

ARIZONA.

PHŒNIX—Phœnix National Bank; E. B. KNOX, Asst. Cash.

COLORADO.

DENVER—American National Bank; resumed business; Julius A. Myers, Pres.—National Bank of Commerce; D. H. Dougan, Cas.

CONNECTICUT.

HARTFORD—Phœnix National Bank; Jas. A. Smith, director, deceased.

DISTRICT OF COLUMBIA.

WASHINGTON—Citizens' National Bank, and National Bank of the Republic; Geo. E. Lemon, director, deceased.

GEORGIA.

AMERICUS—Bank of Southwestern Georgia; John W. Wheatley, Pres., in place of Moses Speer, deceased.

AUGUSTA—Planters' Loan and Savings Bank; Wm. C. Wardlaw, Cas., in place of Chas. H. Ballard.

ILLINOIS.

CHICAGO—Union National Bank; David R. Forgan, Vice-Pres., in place of David Kelley; no 2d Vice-Pres. in place of David R. Forgan.—Dime Savings Bank; Ralph Metcalf, Treas., in place of Geo. W. Reed.—Merchants' Loan and Trust Co.; J. W. Doane, Pres., retired.

ROSELAND—Roseland Bank (closed December 21) resumed December 24.

VANDALIA—First National Bank; J. A. Gordon, Cas.

INDIANA.

GOSHEN—City National Bank; no Pres. in place of J. M. Latta, deceased.

LIBERTY—Union County National Bank; Henry Husted, Cas., deceased.

IOWA.

DES MOINES—American Savings Bank; C. A. Crawford, Cash., in place of W. E. Shepherd.

NORTH ENGLISH—Citizens' Savings Bank, and North English Savings Bank, consolidated under latter title; capital, $26,000; Geo. E. Swain, Cas.

RED OAK—State Savings Bank; merged into H. C. Houghton's Bank.

THOMPSON—Bank of Thompson; succeeded by State Bank.

WEST POINT—Bank of West Point; Lawrence Smith, Cas., in place of Wm. Singleton; J. A. Kreikenbaum, Asst. Cas.

KANSAS.

MORAN—People's Bank; reported resumed; capital, $10,000; S. C. Varner, Pres.; G. F. Smith, Vice-Pres.; S. C. Varner, Jr., Cas.

KENTUCKY.

CATLETTSBURG—Catlettsburg National Bank; James Trimble, Vice-Pres., in place of W. Honshell, deceased: G. H. Hampton, Asst. Cas.

LOUISVILLE—German Insurance Bank; W. H. Edinger, Pres., in place of Jos. J. Fisher, deceased.

RICHMOND—Madison National Bank; Walker Bennett, Pres., in place of A. R. Burman.

LOUISIANA.

NEW ORLEANS—Union National Bank (resumed); S. V. Fornaris, Pres.; S. E. Worms, 1st Vice-Pres.; S. Chalaron, 2d Vice-Pres.; A. Labarthe, Asst. Cas.

SHREVEPORT—McWilliams & McCutchen; J. G. Williams, deceased.

MAINE.

BATH—Marine National Bank; E. C. Hyde, Pres., deceased.

PORTLAND—Canal National Bank; Elias Thomas, Pres., in place of W. W. Thomas, deceased; Alfred H. Berry, Vice-Pres., in place of Elias Thomas.

WISCASSET—First National Bank; Andrew Lacy, Pres., in place of Henry Ingalls, deceased.

MARYLAND.

BALTIMORE—National Farmers and Planters' Bank; Richard D. Cornelius, Cas., deceased.

LAUREL—Citizens' National Bank; no Asst. Cas. in place of W. H. Harrison.

MASSACHUSETTS

BOSTON—Old Colony Trust Co.; Francis L. Higginson, director, resigned.—Lawson, Weidenfeld & Co.; Otis Kimball retired from firm.—Foote & French; Harris B. Stearns and Simpson C. Heald retired from firm.

LEOMINSTER—Leominster Loan and Trust Co.; Geo. M. Kendall, Pres.; H. G. Cloyes, Vice-Pres. and Treas.; L. J. Cloyes, Sec.

MICHIGAN.

ALPENA—Alpena National Bank: F. W. Gilchrist, Vice-Pres.

CHARLOTTE—First National Bank; Philip T. Vanzile, Pres. in place of Frank S. Belcher; Frank A. Hooker, Vice-Pres. in place of Andrew J. Ives; Fred S. Belcher, Asst. Cas.

DETROIT—Peninsular Savings Bank; John H. Johnson, Cas. in place of Joseph B. Moore; Chas. F. Lawson, Asst. Cas. in place of Jno. H. Johnson.

HUDSON—Boies State Savings Bank; Byron J. Foster, Cas. in place of James B. Thorn.

MINNESOTA.

FISHER—Bank of Fisher; L. C. Simons, Cas. in place of M. Sanaker, deceased.

MINNEAPOLIS—Metropolitan Bank; E. W. Decker, Cas. in place of E. R. Gaylord.—Bankers' Exchange Bank (closed Dec. 30) resumed business.

SHERBURNE—Bank of Sherburne; Harvey Harris, Asst. Cas.

MISSISSIPPI.

OKOLONA—John Trice Banking Co.; title changed to Okolona Banking Co.; capital, $50,000.

MISSOURI.

LOCKWOOD—Bank of Lockwood; H. Gilman & Son owners in place of Gilman, Burns & Co.

QUEEN CITY—Hays Banking Co. (incorporated); capital, $20,000.

UNIONVILLE—National Bank of Unionville; Peter Greggers, Vice-Pres. in place of Wm. Bradley, deceased.

NEBRASKA.

BEATRICE—First National Bank; authorized by Comptroller to resume business.

FREMONT—First National Bank; H. J. Lee, Vice-Pres. in place of S. B. Colson, deceased.

NEW HAMPSHIRE.

BRISTOL—Bristol Savings Bank; Geo. H. Calley, Pres. in place of Benjamim Perkins, resigned.

CLAREMONT—Claremont National Bank; John L. Farwell, Jr., Cas., resigned.

NEW JERSEY.

BORDENTOWN—Bordentown Banking Co.; J. Bingham Woodward, Pres. in place of Malion Hutchinson, deceased.

CAMDEN—Camden National Bank; Francis C. Howell, Asst. Cas.

NEW YORK.

BROOKLYN—Brooklyn Trust Co.; Frederick C. Colton, Secretary in place of James Ross Curran.

CLAYTON—Exchange Bank; Jacob Putnam, Pres. in place of John Johnston, deceased.

FRANKLINVILLE—First National Bank; corporate existence extended until January 1, 1917.

NEW YORK CITY—Harvey Fisk & Sons; Herbert L. Denny, admitted to firm.——Eames & Moore; H. Ramsdell Moore, retired: firm name unchanged.——H. Knickerbacker & Co.; Robert Gibson admitted to Stock Exchange.——National City Bank; G. S. Whitson, Cas. in place of Geo. D. Meeker, deceased; J. R. Curran, Asst. Cas.; W. A. Simonson, Second Asst. Cas.——H. K. Burras & Co.; Benno Klopier, admitted to firm.——Moore & Schley; Wm. H. Duff, retired; Geo. F. Casilear, admitted to firm.——James N. Brown & Co., dissolved by retirement of Henry R. Wilson; business continued under same name by James N. and Frank L. Brown.——Continental Trust Co.; Rudolph E. F. Flinsch, elected trustee.——L. Von Hoffmann & Co.; H. C. E. Hoskier, admitted to Stock Exchange.——First National Bank; F. L. Hine, Cas. in place of Ebenezer Scofield, deceased. —— Pacific Bank; Joseph M. Valentine, director, deceased.—Lawson, Wiedenfeld & Co.; Otis Kimball, retired from firm.——Astor Place Bank; James W. Conrow, Vice-Pres. in place of Francis L. Hine; Henry A. Patten, Asst. Cas.——E. B. Cuthbert & Co.; Wm. Euclid Young, retired from firm.——J. M. Ceballos & Co.; expired by limitation; business continued under same name by J. M. Ceballos.——C. H. White & Co.; Francis H. Southwick admitted to firm.——Mercantile National Bank; James V. Lott, Cas.; Emil Klein, Asst. Cas. in place of James V. Lott.——Dominick & Dickerman; M. W. and Bayard Dominick, Jr., admitted to firm.——Busk & Jevons; Lorenzo Daniels, admitted to firm.——National Union Bank; O. H. Payne, director, resigned.——Kuhn, Loeb & Co.; Felix M. Warburg and Otto H. Kuhn admitted to firm.——Schulz & Ruckgaber; partnership extended to Dec. 31, 1899.——Price, McCormick & Co.; Geo. Crocker, admitted as special partner.——Charles Minzesheimer & Co.; expired by limitation; business continued under same name by Abraham Rosenfeld, F. H. Kohn, Chas. and C. C. Minzesheimer and Edward Sallinger.——National Union Bank; Harry H. Swasey, Cas.——C. Schumacher & Co.; succeeded by Reitze, Stern & Schmidt.——Lawrence Turnure & Co.; L. Turnure, Jr., retired from firm.

SCHENECTADY — Mohawk National Bank; Jno. G. L. Ackerman, Cas., deceased.

SENECA FALLS—Exchange National Bank; James H. Gould, Pres., deceased.

SYRACUSE—Salt Springs National Bank; Geo. B. Leonard, Pres. in place of Fred. A. Howlett.

WEST WINFIELD—First National Bank; no Cashier in place of John O. Wheeler, deceased.

NORTH DAKOTA.

LARIMORE—First National Bank: J. B. Streeter, Jr., Pres. in place of Andrew J. Browne, deceased; H. C. Streeter, Cas. in place of J. B. Streeter, Jr.; no Asst. Cashiers in place of Hiram C. Streeter and Fred C. Gregg.

OHIO.

CLEVELAND—Cleveland Trust Co.; capital, $500,000; Pres., J. G. W. Cowles; E. G. Tillotson, Sec. and Treas.

FINDLAY—Farmers' National Bank; Jno. A. Scott, Acting Pres. in place of M. Gray; R. W. Moore, Asst. Cas. in place of W. J. Edwards.

XENIA—Citizens' National Bank; no Pres. in place of J. D. Edwards, deceased.

OREGON.

ROSEBURG—Douglas Co. Bank; O. F. Godfrey & Son, Proprietors.

PENNSYLVANIA.

ALLEGHENY—Nation's Bank for Savings; Christ. Schauer, Jr., Treas., deceased.

BRADFORD—Bradford National Bank: H. J. Haggerty, Cas. in place of S. P. Kennedy.

HOLLISDAYSBURG—First National Bank; W. R. Babcock, Pres. in place of William Jack.

PHILADELPHIA—Fidelity Insurance, Trust and Safe Deposit Co.; Thomas Dolan, elected director in place of Geo. F. Tyler, deceased.——Citizens' Trust and Safe Deposit Co.; Moses M. Bayersdorfer, Vice-Pres., deceased.——Investment Co. of Philadelphia; capital stock reduced from $4,000,000 to $800,000.——Fourth Street National Bank; Robert J. C. Walker, elected director in place of Geo. F. Tyler, deceased.——Tacony Saving Fund, Savings, Deposit, Title and Trust Co.; W. T. Rawson, Asst. Secretary.

PITTSBURG—Monongahela National Bank; James W. Grove, Pres. in place of Thomas Jamison, deceased. —— Bond-American Bank; capital, $50,000; Edw. H. Burns, Pres.; John Eurug, Treas. —— Pittsburg Trust Co.; C. B. McVay, Pres. in place of C. C. Vandergrift, resigned.

TOWANDA—Citizens' National Bank; E. O. MacFarlane, Pres., deceased.

WAYNE—Wayne Title and Trust Co.: Louis H. Watt, Pres. in place of Dallas Sanders; Harry C. Hunter, Treas. and Sec.

WELLSBOROUGH—First National Bank; W. W. Miller, Vice-Pres.

YORK—First National Bank; W. A. Keyworth, Cas. in place of J. J. Frick.——York National Bank; J. J. Frick, Cas. in place of W. H. Griffith.

SOUTH CAROLINA.

HAMPTON—Bank of Hampton; incorporated.

TEXAS.

BOWIE—City National Bank; C. H. Boedeker, Asst. Cas.
BRECKENRIDGE—Ward & Black; succeeded by J. M. Ward.
GEORGETOWN—Steele & Sparks; deposits transferred to First National Bank.
PALO PINTO—Cunningham Bros.; succeeded by Banking House of Cunningham Bros.: J. L. Cunningham, Pres.
WICHITA FALLS—City National Bank; O. J. Kendall, Vice-Pres.; P. P. Langford, Cas., in place of W. L. Robertson; W. L. Robertson, Asst. Cas.

VERMONT.

BARTON—Barton National Bank; W. H. Blasdell, Vice-Pres., in place of B. M. R. Nelson, deceased.

VIRGINIA.

ROANOKE—Commercial National Bank; W. F. Penn, Cas., in place of J. C. Davenport.

WASHINGTON.

CHENEY—State Bank; W. D. Vincent, Pres.; J. T. Pronger, Cas.
SPOKANE—Spokane Clearing-House Ass'n; reorganized; M. M. Cowley, Pres.; P. M. Richards, Vice-Pres.; W. D. Vincent, Sec.; Geo. S. Brooke, Treas.
TACOMA—London and San Francisco Bank; S. M. Jackson, Mngr., in place of T. V. Wallace, deceased.

WISCONSIN.

SHEBOYGAN—Citizens' State Bank; Jacob T. Jagodnigg, Cas., in place of C. A. Crawford.
SHULLSBURG—First National Bank; J. M. Lehr, Cas., in place of John H. Savage.

BANKS REPORTED CLOSED OR IN LIQUIDATION.

ALABAMA.

BRIDGEPORT—First National Bank; in voluntary liquidation, to take effect Jan. 1, 1897.
SELMA—Commercial Bank; assigned Dec. 30.

COLORADO.

DURANGO—Smelter National Bank; in voluntary liquidation, Dec. 14, 1896.

CONNECTICUT.

HARTFORD—Iowa Mortgage Co.; Wm. F. Fuller, Receiver.

ILLINOIS.

BATAVIA—Wm. M. & J. S. Van Nortwick.
BLUE ISLAND—Calumet State Bank.
CHICAGO—National Bank of Illinois; in hands of John C. McKeon, Receiver.—Wasmansdorff & Heineman.—E. S. Dreyer & Co.—Atlas National Bank.—Dime Savings Bank.
EDWARDSVILLE—John A. Prickett & Son; assigned.

IOWA.

HARLAN—Harlan State Bank.
NORA SPRINGS—First City Bank.
RED OAK—State Savings Bank; reported dissolved.
SIOUX CITY—Farmers' Trust Co.; in hands of G. H. Hollister, Receiver.—First National Bank; in hands of Lowrie C. Blanding, Receiver, Jan. 7.

KANSAS.

ARKANSAS CITY—National Bond and Debenture Co.; in voluntary liquidation.
CAWKER CITY—Farmers and Merchants' National Bank; in voluntary liquidation, by resolution to take effect Dec. 22, 1896.
CLAY CENTER—Farmers and Merchants' Bank; in voluntary liquidation.
EL DORADO—Exchange National Bank; in voluntary liquidation, by resolution of Dec. 17, 1896.
LYNDON—Exchange Bank; in voluntary liquidation.
PAOLA—Farmers' and Citizens' Bank; in voluntary liquidation.
PRESTON—State Bank.

MAINE.

AUBURN—American Banking and Trust Co.

MASSACHUSETTS.

HOLLISTON—Holliston National Bank; in voluntary liquidation by resolution to take effect Jan. 1.
WEST STOCKBRIDGE—Miners' Savings Bank.

MICHIGAN.

BIG RAPIDS—Big Rapids National Bank (heretofore in voluntary liquidation), in hands of John S. Lawrence, Receiver.
SAGINAW (East)—First National Bank of East Saginaw; in hands of Thomas A. E. Weadock, Receiver, Dec. 10, 1896.
WHITEHALL—Whitehall State Savings Bank.

MINNESOTA.

CANTON—Bank of Canton.
DULUTH—National Bank of Commerce.
LANESBORO—Citizens' Bank.
MINNEAPOLIS—Scandia Bank.—Columbia National Bank; closed Dec. 29.—Washington Bank; A. Ueland, Receiver.—Northern Trust Co.
NORTH ST. PAUL—Bank of North St. Paul; in hands of J. F. Fitzpatrick, Receiver.
ST. PAUL—Bank of Minnesota; closed Dec. 22, Wm. H. Lightner and Frank A. Seymour, Receivers.—Minnesota State Sav. Bank.—Germania Bank.—Allemania Bank; in hands of Maurice Auerbach, Receiver.—West Side Bank; assigned to Chas. Staples.
SOUTH ST. PAUL—Union Stock Yarks Bank (branch Bank of Minnesota, St. Paul); closed Dec. 22.

MISSOURI.

GOLDEN CITY—Aldrich Banking Co.
INDEPENDENCE—McCoy Banking Co.; in voluntary liquidation Dec. 28, 1896.
WESTPORT—Bank of Westport; in hands of W. E. Mabry, Receiver.

NEBRASKA.

ALMA—First National Bank.
CALLAWAY—Bank of Callaway; in voluntary liquidation.
CHAPMAN—Bank of Chapman.
CRETE Crete National Bank; in voluntary liquidation to take effect Jan. 1.
OMAHA—Omaha Savings Bank.

NEW HAMPSHIRE.

CLAREMONT—Sullivan Savings Institution; Francis C. Faulkner and Henry C. Sanders, Assignees.

NEW MEXICO.

AZTEC—San Juan Co. Bank.

NEW YORK.

HINSDALE—Wm. O. Leland.
NIAGARA FALLS—First National Bank; in hands of Harmer St. C. Denny, Receiver, Dec. 18, 1896.
SCHENEVUS—Chester's Banking and Exchange Office.

NORTH DAKOTA.

DEVIL'S LAKE—Merchants' National Bank; in hands of Chas. H. Springer, Receiver, Jan. 11.
FARGO—Citizens' National Bank; in hands of C. H. Anheier, Receiver, Jan. 7.
GRAND FORKS—Second National Bank; in hands of E. C. Tourtelot, Receiver, Jan. 7.

OHIO.

COLUMBIANA—J. Esterly & Co.; business closed on account of death of Jonathan Esterly.
GREENSPRING—Smith, Holtz & Ranney; in hands of J. W. Stinchcomb, Receiver, Jan. 11.

PENNSYLVANIA.

HOLLIDAYSBURG—First National Bank.
MARTINSBURG—Martinsburg Deposit Bank.
WILLIAMSBURG—Williamsburg Bank; assigned to John Clark, Dec. 14, 1896.

RHODE ISLAND

PROVIDENCE—Miller & Vaughan; out of business.

SOUTH DAKOTA.

EGAN—Bank of Egan (Geo. M. Smith & Co.) out of business.

TEXAS.

BRYAN—Merchants and Planters' National Bank.
DALLAS—Security Mortgage and Trust Co.; H. A. Kahler, Assignee.
FORT WORTH—Imboden Bros. & Co.; reported discontinued.
TYLER—First National Bank; in hands of Gus F. Taylor, Receiver, Dec. 17, 1896.

VIRGINIA.

ROANOKE—Commercial National Bank; in hands of Samuel Griffin, Receiver, Jan. 2, 1897.

WISCONSIN.

WEST SUPERIOR—Bank of West Superior; assigned to Henry S. Butler.
EAU CLAIRE—Commercial Bank; in hands of C. M. Buffington, Receiver.

CANADA.

ONTARIO.

WALKERTON—F. X. Messner, assigned.
MOUNT FOREST—Bank of Hamilton, discontinued.

The Havill Deposit Ledger.—A new style of deposit ledger has been patented by O. H. Havill, St. Cloud, Minn., which combines the best points of the old style deposit ledger with the advantages of the Boston system, and in addition has a "Ledger Index Balance Sheet," or extra leaf, bound in it every fifty pages, projecting four and one-half inches beyond the edges of the leaves. The debit and credit columns of this balance sheet are composed of silicate, which renders it easy to erase penciled amounts and rewrite other amounts without injury to the surface. The titles of the accounts are written in ink on the balance sheet; the balances are written in pencil.

By the use of this ledger a daily trial balance can be taken quickly and easily. If errors have been made they may be located by examining the active accounts only. But it is claimed that the use of this ledger reduces the chance of errors to the minimum. The ledger is commended by National bank examiners and banks that have used it. A description of its leading features may be found by consulting the advertising pages of this number.

Comptrollers of the Currency.—The following has been received from the Committee on Banking and Currency of the House:

"Please accept the thanks of the Committee on Banking and Currency for the engraving entitled "The Comptrollers of the Currency," which you kindly sent the committee. This is a very beautiful piece of work and will be thoroughly appreciated and admired, not only by the members of the committee as now constituted, but by others who will be members of the committee of future Congresses, as well as by the many visitors who visit our committee room daily. Requisition has been made for the suitable framing of the engraving, and it will be hung in a conspicuous place in the committee room."

U. S. NATIONAL BANK RETURNS—RESERVE CITIES.

By the courtesy of the Comptroller of the Currency at Washington, the BANKERS' MAGAZINE has been favored with the complete returns of the National banks in all the reserve cities, at the date of the last call on December 17, 1896. These are published below in conjunction with the two preceding statements of October 6, 1896, and July 14, 1896. In this form the figures become much more valuable by reason of the comparison. In this complete shape the returns of National banks in the reserve cities are published in the BANKERS' MAGAZINE exclusively.

NEW YORK CITY.

RESOURCES.	*July 14, 1896.*	*Oct. 6, 1896.*	*Dec. 17, 1896.*
Loans and discounts	$335,103,154	$314,156,682	$339,983,264
Overdrafts	230,437	267,011	187,943
U. S. bonds to secure circulation	17,889,000	23,504,500	23,047,000
U. S. bonds to secure U. S. deposits	1,220,000	1,220,000	1,220,000
U. S. bonds on hand	4,083,350	1,615,650	1,147,600
Premiums on U. S. bonds	2,021,710	2,218,913	1,881,666
Stocks, securities, etc	35,900,038	36,170,794	35,941,703
Banking house, furniture and fixtures	12,873,801	12,303,458	12,798,703
Other real estate and mortgages owned	1,584,016	1,580,744	1,645,557
Due from National banks (not reserve agents)	28,164,861	26,236,379	30,398,114
Due from State banks and bankers	4,490,130	4,183,203	4,515,698
Due from approved reserve agents	.....	.....	.....
Checks and other cash items	2,067,097	2,020,641	1,900,425
Exchanges for clearing-house	42,279,016	41,646,922	49,287,611
Bills of other National banks	1,121,587	986,738	1,182,570
Fractional paper currency, nickels and cents	61,758	56,716	61,229
*Lawful money reserve in bank, viz.:			
Gold coin	13,576,699	13,895,591	14,082,424
Gold Treasury certificates	2,567,800	8,997,540	8,970,350
Gold clearing-house certificates	25,725,000	22,265,000	38,803,000
Silver dollars	93,441	75,699	72,434
Silver Treasury certificates	5,631,599	3,835,775	5,568,899
Silver fractional coin	462,225	492,252	453,181
Legal-tender notes	48,046,219	35,362,777	42,176,304
U. S. certificates of deposit for legal-tender notes	18,040,000	23,190,000	25,305,000
Five per cent. redemption fund with Treasurer	798,209	1,034,089	1,029,319
Due from U. S. Treasurer	643,523	515,258	906,413
Total	$611,664,677	$577,882,338	$642,623,550
LIABILITIES.			
Capital stock paid in	$50,450,000	$50,450,000	$50,600,000
Surplus fund	42,340,000	42,340,000	42,486,000
Undivided profits, less expenses and taxes paid	17,112,301	17,634,343	18,686,831
National bank notes issued, less amount on hand	14,912,707	20,685,232	20,176,990
State bank notes outstanding	16,556	16,556	16,556
Due to other National banks	129,674,509	118,761,233	145,974,388
Due to State banks and bankers	59,406,814	51,535,865	62,976,954
Dividends unpaid	204,553	149,653	92,323
Individual deposits	296,099,097	274,373,014	299,912,326
U. S. deposits	930,829	832,754	808,026
Deposits of U. S. disbursing officers	225,810	232,618	275,612
Notes and bills rediscounted	.....	.....	.....
Bills payable	50,000	363,500	455,000
Liabilities other than those above stated	241,495	507,565	75,541
Total	$611,664,677	$577,882,338	$642,626,550
Average reserve held	29.70 p. c.	29.28 p. c.	32.13 p. c.

*The total lawful money reserve was $121,132,983 on July 14, 1896; $108,114,634 on October 6, 1896; $135,431,593 on December 17, 1896.

ALBANY, N. Y.

RESOURCES.	*July 14, 1896.*	*Oct. 6, 1896.*	*Dec. 17, 1896.*
Loans and discounts	$7,506,518	$7,688,478	$7,731,639
Overdrafts	2,262	2,332	3,127
U. S. bonds to secure circulation	400,000	500,000	500,000
U. S. bonds to secure U. S. deposits	50,000	50,000	50,000
U. S. bonds on hand	.....	.....	.....

ALBANY, N. Y.—Continued.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Premiums on U. S. bonds	$27,500	$27,500	$27,500
Stocks, securities, etc.	812,065	942,673	835,733
Banking house, furniture and fixtures	295,000	295,000	295,000
Other real estate and mortgages owned	22,408	20,516	29,165
Due from National banks (not reserve agents)	1,669,699	1,053,390	1,108,732
Due from State banks and bankers	337,941	121,701	134,939
Due from approved reserve agents	4,467,298	1,919,867	1,645,833
Checks and other cash items	133,082	90,111	97,508
Exchanges for clearing-house	138,324	124,724	109,239
Bills of other National banks	62,394	64,581	63,458
Fractional paper currency, nickels and cents	1,974	2,853	3,121
*Lawful money reserve in bank, viz.:			
Gold coin	422,530	476,587	455,312
Gold Treasury certificates	284,300	284,300	284,300
Gold clearing-house certificates	.....	.....	.....
Silver dollars	20,855	17,410	21,671
Silver Treasury certificates	53,368	35,000	38,245
Silver fractional coin	19,259	23,581	26,508
Legal-tender notes	454,200	424,713	262,764
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	18,000	22,500	22,500
Due from U. S. Treasurer	.....	2,000	.....
Total	$17,288,947	$14,204,824	$13,326,290
LIABILITIES.			
Capital stock paid in	$1,550,000	$1,550,000	$1,550,000
Surplus fund	1,397,000	1,398,000	1,398,000
Undivided profits, less expenses and taxes paid	166,672	179,654	179,701
National bank notes issued, less amount on hand	349,370	431,900	440,320
Due to other National banks	2,631,905	2,561,307	2,979,975
Due to State banks and bankers	1,439,305	1,175,781	1,895,048
Dividends unpaid	2,593	391	647
Individual deposits	9,620,361	6,836,051	4,810,858
U. S. deposits	36,213	38,100	43,963
Deposits of U. S. disbursing officers	13,786	11,899	6,036
Notes and bills rediscounted	21,738	21,738	21,738
Bills payable	.....	.....	.....
Liabilities other than those above stated	.....	.....	.....
Total	$17,288,947	$14,204,824	$13,326,290
Average reserve held	49.50 p. c.	34.60 p. c.	33.14 p. c.

* The total lawful money reserve was $1,254,482 on July 14, 1896; $1,261,592 on October 6, 1896; $1,088,801 on December 17, 1896.

BALTIMORE, MD.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$31,311,440	$31,483,505	$31,155,223
Overdrafts	14,270	24,846	28,608
U. S. bonds to secure circulation	3,160,000	3,160,000	3,160,000
U. S. bonds to secure U. S. deposits	202,000	202,000	202,000
U. S. bonds on hand	.....	.....	25,000
Premiums on U. S. bonds	366,514	365,631	360,828
Stocks, securities, etc.	1,890,861	1,881,263	1,699,521
Banking house, furniture and fixtures	2,075,795	2,075,795	2,075,795
Other real estate and mortgages owned	166,347	166,198	157,286
Due from National banks (not reserve agents)	2,002,181	1,951,090	2,076,642
Due from State banks and bankers	391,509	351,993	329,355
Due from approved reserve agents	4,027,391	3,134,697	3,064,916
Checks and other cash items	101,814	97,111	112,289
Exchanges for clearing-house	1,451,199	1,573,313	1,473,840
Bills of other National banks	279,969	181,333	228,380
Fractional paper currency, nickels and cents	15,544	11,939	15,183
*Lawful money reserve in bank, viz.:			
Gold coin	1,652,420	1,835,498	1,790,580
Gold Treasury certificates	352,850	367,550	354,120
Gold clearing-house certificates	15,000	.....	.....
Silver dollars	51,837	46,206	61,546
Silver Treasury certificates	1,399,479	1,052,645	1,522,198
Silver fractional coin	55,439	59,510	91,400
Legal-tender notes	777,387	568,146	783,678
U. S. certificates of deposit for legal-tender notes	1,580,000	570,000	1,390,000
Five per cent. redemption fund with Treasurer	142,200	141,130	142,200
Due from U. S. Treasurer	2,000	5,170	7,175
Total	$53,485,452	$51,306,575	$52,316,860
LIABILITIES.			
Capital stock paid in	$13,243,260	$13,243,260	$13,243,260
Surplus fund	4,699,750	4,699,750	4,699,750
Undivided profits, less expenses and taxes paid	904,065	1,152,022	1,301,669
National bank notes issued, less amount on hand	2,773,850	2,814,300	2,800,520
State bank notes outstanding	4,606	4,606	4,606
Due to other National banks	4,490,194	4,677,704	5,261,628
Due to State banks and bankers	928,097	966,818	1,357,059

BALTIMORE, MD.—Continued.

LIABILITIES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Dividends unpaid	$171,173	$86,308	$51,303
Individual deposits	25,825,383	23,277,133	23,264,822
U. S. deposits	220,795	218,671	232,841
Deposits of U. S. disbursing officers	.....	.....	.....
Notes and bills rediscounted	.....	.....	.....
Bills payable	220,000	166,000	100,000
Liabilities other than those above stated	4,276	.....	.....
Total	$53,485,452	$51,306,575	$52,316,860
Average reserve held	36.50 p. c.	30.89 p. c.	35.31 p. c.

*The total lawful money reserve was $5,884,412 on July 14, 1896; $4,499,555 on October 6, 1896; $5,993,522 on December 17, 1896.

BOSTON, MASS.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$142,984,307	$140,608,679	$145,506,391
Overdrafts	87,539	90,249	96,450
U. S. bonds to secure circulation	11,372,000	11,747,000	11,547,000
U. S. bonds to secure U. S. deposits	265,000	265,000	265,000
U. S. bonds on hand	130,000	261,000	105,000
Premiums on U. S. bonds	1,266,252	1,260,640	1,196,917
Stocks, securities, etc.	6,816,319	7,318,804	6,864,247
Banking house, furniture and fixtures	2,380,236	2,378,012	2,378,410
Other real estate and mortgages owned	455,974	436,707	436,051
Due from National banks (not reserve agents)	13,933,397	16,518,258	14,323,223
Due from State banks and bankers	530,628	403,359	516,762
Due from approved reserve agents	23,224,952	19,960,661	27,445,345
Checks and other cash items	383,230	377,474	403,851
Exchanges for clearing-house	7,744,080	7,991,627	7,877,090
Bills of other National banks	1,024,613	862,503	1,069,890
Fractional paper currency, nickels and cents	20,443	20,310	21,889
*Lawful money reserve in bank, viz.:			
Gold coin	5,699,948	5,822,273	6,704,912
Gold Treasury certificates	1,451,080	1,227,860	1,218,500
Gold clearing-house certificates	.....	.....	.....
Silver dollars	81,479	88,006	79,724
Silver Treasury certificates	1,958,357	1,830,913	2,024,882
Silver fractional coin	149,727	162,375	171,451
Legal-tender notes	6,889,516	6,224,473	6,542,112
U. S. certificates of deposit for legal-tender notes	840,000	680,000	1,570,000
Five per cent. redemption fund with Treasurer	466,620	520,650	519,614
Due from U. S. Treasurer	142,882	50,118	181,214
Total	$230,289,294	$227,101,957	$239,967,872
LIABILITIES.			
Capital stock paid in	$50,750,000	$50,750,000	$50,750,000
Surplus fund	14,915,530	14,950,325	14,950,325
Undivided profits, less expenses and taxes paid	5,130,892	4,259,238	5,019,944
National bank notes issued, less amount on hand	10,093,480	10,336,077	10,141,390
Due to other National banks	28,311,206	31,459,320	34,302,084
Due to State banks and bankers	17,241,303	15,832,342	15,587,717
Dividends unpaid	34,740	177,901	37,477
Individual deposits	101,225,755	95,517,923	108,203,918
U. S. deposits	130,688	105,682	109,158
Deposits of U. S. disbursing officers	94,906	93,788	82,886
Notes and bills rediscounted	.....	.....	.....
Bills payable	2,227,440	2,213,181	776,717
Liabilities other than those above stated	133,149	406,175	6,233
Total	$230,289,294	$227,101,957	$239,967,872
Average reserve held	32.93 p. c.	30.84 p. c.	35.07 p. c.

*The total lawful money reserve was $17,080,108 on July 14, 1896; $16,035,900 on October 6, 1896; $19,211,622 on December 17, 1896.

BROOKLYN, N. Y.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$10,540,839	$10,394,213	$11,215,136
Overdrafts	5,467	7,628	5,947
U. S. bonds to secure circulation	642,000	642,000	642,000
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000
U. S. bonds on hand	5,000	5,000	5,000
Premiums on U. S. bonds	52,875	52,500	52,500
Stocks, securities, etc.	2,328,067	2,484,998	2,422,111
Banking house, furniture and fixtures	442,850	442,850	442,850
Other real estate and mortgages owned	215,580	233,360	247,458
Due from National banks (not reserve agents)	94,375	93,937	235,708
Due from State banks and bankers	89,779	105,148	109,997
Due from approved reserve agents	2,531,259	2,276,452	2,918,610
Checks and other cash items	79,648	73,851	106,940
Exchanges for clearing-house	656,556	900,315	1,169,535
Bills of other National Banks	194,748	230,305	232,362
Fractional paper currency, nickels and cents	7,475	6,328	8,334

BROOKLYN, N. Y.—Continued.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
*Lawful money reserve in bank, viz.:			
Gold coin	$440,084	$553,590	$677,776
Gold Treasury certificates	184,000	243,000	185,000
Gold clearing-house certificates	.....	.....	.....
Silver dollars	24,650	28,900	17,300
Silver Treasury certificates	312,700	426,358	299,282
Silver fractional coin	42,173	34,243	43,276
Legal-tender notes	1,298,123	1,138,845	1,315,823
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	28,890	28,890	28,890
Due from U. S. Treasurer	.....	.....	.....
Total	$20,427,096	$20,602,766	$22,581,835
LIABILITIES.			
Capital stock paid in	$1,352,000	$1,352,000	$1,352,000
Surplus fund	2,240,000	2,240,000	2,240,000
Undivided profits, less expenses and taxes paid	415,708	488,604	537,537
National bank notes issued, less amount on hand	572,450	570,160	575,700
State bank notes outstanding	1,846	1,846	1,846
Due to other National banks	232,166	270,103	251,580
Due to State banks and bankers	240,776	206,310	477,170
Dividends unpaid	10,755	5,635	1,091
Individual deposits	15,096,515	15,242,123	16,942,652
U. S. deposits	165,279	174,244	173,600
Deposits of U. S. disbursing officers	49,266	26,317	28,292
Notes and bills rediscounted	.....	.....	.....
Bills payable	.....	.....	.....
Liabilities other than those above stated	20,331	25,331	1,337
Total	$20,427,096	$20,602,766	$22,581,835
Average reserve held	32.94 p. c.	32.41 p. c.	34.02 p. c.

* The total lawful money reserve was $2,311,681 on July 14, 1896; $2,424,936 on October 6, 1896; $2,538,457 on December 17, 1896.

CHICAGO, ILL.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$91,408,164	$82,355,080	$82,467,525
Overdrafts	422,794	242,942	206,963
U. S. bonds to secure circulation	1,650,000	1,450,000	1,450,000
U. S. bonds to secure U. S. deposits	550,000	550,000	550,000
U. S. bonds on hand	208,100	87,200	78,800
Premiums on U. S. bonds	97,500	76,000	76,000
Stocks, securities, etc.	4,544,637	4,762,323	5,207,025
Banking house, furniture and fixtures	825,848	825,471	823,363
Other real estate and mortgages owned	986,932	719,707	721,446
Due from National banks (not reserve agents)	14,383,313	14,550,339	17,637,104
Due from State banks and bankers	3,604,551	4,310,958	4,052,812
Due from approved reserve agents	.....	.....	.....
Checks and other cash items	82,332	60,329	65,976
Exchanges for clearing-house	4,245,852	4,116,686	4,829,461
Bills of other National banks	833,539	746,358	1,696,245
Fractional paper currency, nickels and cents	24,808	24,026	21,155
*Lawful money reserve in bank, viz.:			
Gold coin	14,353,992	12,475,155	14,410,596
Gold Treasury certificates	2,482,080	2,547,040	2,474,270
Gold clearing-house certificates	.....	.....	.....
Silver dollars	160,735	170,047	191,261
Silver Treasury certificates	2,089,338	1,612,861	2,889,335
Silver fractional coin	223,032	208,257	203,176
Legal-tender notes	7,065,611	8,771,349	13,354,423
U. S. certificates of deposit for legal-tender notes	1,240,000	920,000	1,500,000
Five per cent. redemption fund with Treasurer	72,0 0	63,000	63,000
Due from U. S. Treasurer	103,032	81,210	114,582
Total	$151,602,136	$141,726,321	$155,054,524
LIABILITIES.			
Capital stock paid in	$21,400,000	$21,400,000	$21,400,000
Surplus fund	9,543,400	9,548,400	9,549,400
Undivided profits, less expenses and taxes paid	2,154,592	2,295,760	2,674,468
National bank notes issued, less amount on hand	1,062,615	1,067,515	1,008,115
Due to other National banks	29,671,705	25,836,245	32,981,773
Due to State banks and bankers	20,188,749	17,149,027	20,130,289
Dividends unpaid	24,183	20,201	31,954
Individual deposits	67,012,322	63,901,947	66,584,076
U. S. deposits	532,632	513,605	498,908
Deposits of U. S. disbursing officers	31,835	18,498	72,342
Notes and bills rediscounted	.....	.....	.....
Bills payable	.....	.....	100,000
Liabilities other than those above stated	10,100	15,150	23,516
Total	$151,602,136	$141,726,321	$155,054,524
Average reserve held	29.32 p. c.	31.97 p. c.	33.07 p. c.

* The total lawful money reserve was $27,608,728 on July 14, 1896; $26,704,709 on October 6, 1896.; $35,023,061 on December 17, 1896.

CINCINNATI, OHIO.

RESOURCES.	*July 14, 1896.*	*Oct. 6, 1896.*	*Dec. 17, 1896.*
Loans and discounts	$23,802,286	$22,080,065	$21,196,306
Overdrafts	24,942	16,025	18,817
U. S. bonds to secure circulation	5,071,000	5,322,500	5,344,500
U. S. bonds to secure U. S. deposits	850,000	850,000	850,000
U. S. bonds on hand	635,600	575,650	441,150
Premiums on U. S. bonds	997,125	995,644	993,073
Stocks, securities, etc.	2,594,700	2,801,553	2,848,119
Banking house, furniture and fixtures	472,700	485,718	479,840
Other real estate and mortgages owned	58,848	56,893	100,507
Due from National banks (not reserve agents)	2,638,109	2,155,675	2,794,664
Due from State banks and bankers	547,128	587,788	631,265
Due from approved reserve agents	3,665,786	2,662,059	4,135,089
Checks and other cash items	195,513	173,669	144,167
Exchanges for clearing-house	184,358	271,105	193,101
Bills of other National banks	224,941	211,922	244,684
Fractional paper currency, nickels and cents	2,748	2,879	2,717
*Lawful money reserve in bank, viz.:			
Gold coin	817,654	857,137	975,547
Gold Treasury certificates	278,650	287,640	288,910
Gold clearing-house certificates	.....	.....	.....
Silver dollars	72,178	56,464	57,640
Silver Treasury certificates	413,273	266,706	500,294
Silver fractional coin	18,419	18,587	19,100
Legal-tender notes	2,216,064	2,323,478	2,261,747
U. S. certificates of deposit for legal-tender notes	380,000	760,000	480,000
Five per cent. redemption fund with Treasurer	228,195	237,762	240,502
Due from U. S. Treasurer	6,500	10,850	1,400
Total	$46,156,736	$43,747,698	$44,879,140
LIABILITIES.			
Capital stock paid in	$8,000,000	$8,000,000	$8,000,000
Surplus fund	2,780,000	2,780,000	2,680,000
Undivided profits, less expenses and taxes paid	999,070	1,130,194	1,042,024
National bank notes issued, less amount on hand	4,503,197	4,730,177	4,795,200
Due to other National banks	5,778,681	4,722,999	5,634,087
Due to State banks and bankers	2,792,089	2,368,892	2,800,345
Dividends unpaid	13,780	6,066	3,897
Individual deposits	19,315,111	17,934,280	18,362,905
U. S. deposits	849,804	855,492	827,949
Deposits of U. S. disbursing officers	.....	.....	.....
Notes and bills rediscounted	.....	.....	.....
Bills payable	390,000	501,095	.....
Liabilities other than those above stated	735,050	720,500	732,700
Total	$46,156,736	$43,747,698	$44,879,140
Average reserve held	32.20 p. c.	33.10 p. c.	37.69 p. c.

*The total lawful money reserve was $4,176,238 on July 14, 1896; $4,569,992 on October 6, 1896; $4,593,239 on December 17, 1896.

CLEVELAND, OHIO.

RESOURCES.	*July 14, 1896.*	*Oct. 6, 1896.*	*Dec. 17, 1896.*
Loans and discounts	$28,827,143	$27,411,913	$26,311,249
Overdrafts	42,892	29,279	41,359
U. S. bonds to secure circulation	1,400,000	1,450,000	1,450,000
U. S. bonds to secure U. S. deposits	60,000	60,000	60,000
U. S. bonds on hand	.....	.....	.....
Premiums on U. S. bonds	46,790	53,290	52,165
Stocks, securities, etc.	675,431	676,431	710,028
Banking house, furniture and fixtures	509,971	509,971	508,500
Other real estate and mortgages owned	212,451	267,192	269,561
Due from National banks (not reserve agents)	1,561,425	1,470,199	1,827,767
Due from State banks and bankers	574,080	533,643	766,056
Due from approved reserve agents	2,613,460	2,351,267	3,498,616
Checks and other cash items	56,901	84,570	72,203
Exchanges for clearing-house	223,801	242,863	253,408
Bills of other National banks	125,291	132,126	142,362
Fractional paper currency, nickels and cents	4,850	6,432	4,887
*Lawful money reserve in bank, viz.:			
Gold coin	1,342,275	1,350,785	1,394,735
Gold Treasury certificates	244,000	243,000	238,000
Gold clearing-house certificates	.....	.....	.....
Silver dollars	94,400	95,246	79,000
Silver Treasury certificates	119,000	115,040	104,280
Silver fractional coin	36,059	46,391	45,450
Legal-tender notes	967,800	1,013,270	759,051
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	60,780	64,880	63,100
Due from U. S. Treasurer	14,500	13,252	20,702
Total	$37,313,084	$38,221,046	$38,670,542

CLEVELAND, OHIO.—Continued.

LIABILITIES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Capital stock paid in	$9,550,000	$9,550,000	$9,550,000
Surplus fund	2,054,000	2,024,000	2,036,000
Undivided profits, less expenses and taxes paid	679,261	803,866	659,157
National bank notes issued, less amount on hand	1,246,680	1,222,410	1,284,470
Due to other National banks	2,540,361	2,154,598	2,304,326
Due to State banks and bankers	1,733,519	1,739,881	1,625,876
Dividends unpaid	2,285	2,062	1,793
Individual deposits	17,920,222	17,260,506	18,790,484
U. S. deposits	47,444	43,037	43,341
Deposits of U. S. disbursing officers	13,054	17,867	18,491
Notes and bills rediscounted	90,415	963,795	391,852
Bills payable	1,175,000	1,575,000	1,175,000
Liabilities other than those above stated	760,859	755,000	759,748
Total	$37,813,084	$38,221,046	$38,670,542
Average reserve held	27.70 p. c.	28.01 p. c.	31.22 p. c.

* The total lawful money reserve was $2,803,234 on July 14, 1896; $2,863,732 on October 1, 1896; $2,618,576 on December 17, 1896.

DES MOINES, IOWA.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$2,524,161	$2,158,319	$2,218,024
Overdrafts	18,448	16,593	25,285
U. S. bonds to secure circulation	202,200	202,200	202,200
U. S. bonds to secure U. S. deposits	.....	.....	.....
U. S. bonds on hand	.....	.....	.....
Premiums on U. S. bonds	13,000	13,000	13,000
Stocks, securities, etc	271,515	295,332	284,724
Banking house, furniture and fixtures	143,635	143,675	143,675
Other real estate and mortgages owned	89,191	89,003	91,102
Due from National banks (not reserve agents)	91,543	118,487	100,272
Due from State banks and bankers	38,763	41,224	30,941
Due from approved reserve agents	368,733	335,641	337,631
Checks and other cash items	4,371	8,459	9,000
Exchanges for clearing-house	58,327	75,699	81,579
Bills of other National banks	16,841	30,206	26,059
Fractional paper currency, nickels and cents	882	829	671
*Lawful money reserve in bank, viz.:			
Gold coin	89,012	101,667	114,640
Gold Treasury certificates	1,170	2,110	2,290
Gold clearing-house certificates	.....	.....	.....
Silver dollars	19,798	20,214	18,194
Silver Treasury certificates	4,904	13,263	8,921
Silver fractional coin	16,699	11,690	11,765
Legal-tender notes	180,353	118,167	233,082
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	13,117	13,094	13,094
Due from U. S. Treasurer	.....	23	3,522
Total	$4,246,670	$3,898,990	$4,059,677
LIABILITIES.			
Capital stock paid in	$800,000	$800,000	$800,000
Surplus fund	236,000	236,000	236,000
Undivided profits, less expenses and taxes paid	59,075	43,655	56,255
National bank notes issued, less amount on hand	261,880	261,880	255,153
Due to other National bank	633,239	432,535	411,549
Due to State banks and bankers	940,571	826,679	929,476
Dividends unpaid	1,519	2,908	3,572
Individual deposits	1,234,384	1,145,588	1,352,370
U. S. deposits	.....	.....	.....
Deposits of U. S. disbursing officers	.....	.....	.....
Notes and bills rediscounted	30,000	24,244	.....
Bills payable	50,000	100,500	15,000
Liabilities other than those above stated	.....	25,000	.....
Total	$4,246,670	$3,898,990	$4,059,677
Average reserve held	26.54 p. c.	28.75 p. c.	30.09 p. c.

* The total lawful money reserve was $311,937 on July 14, 1896; $267,112 on October 6, 1895; $388,892 on December 17, 1896.

DETROIT, MICH.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$14,837,504	$14,800,830	$13,610,485
Overdrafts	13,834	27,938	6,353
U. S. bonds to secure circulation	1,350,000	1,423,000	1,450,000
U. S. bonds to secure U. S. deposits	300,000	300,000	300,000
U. S. bonds on hand	.....	.....	.....
Premiums on U. S. bonds	157,500	155,500	150,500
Stocks, securities, etc	6,149	3,118	3,193

DETROIT, MICH.—Continued.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec 17, 1896.
Banking house, furniture and fixtures	$39,788	$39,788	$39,788
Other real estate and mortgages owned	78,975	158,249	159,961
Due from National banks (not reserve agents)	761,067	824,961	893,787
Due from State banks and bankers	279,078	296,194	348,052
Due from approved reserve agents	2,301,574	2,166,494	3,530,364
Checks and other cash items	16,717	27,469	24,676
Exchanges for clearing-house	258,275	232,852	292,030
Bills of other National banks	171,173	104,209	185,159
Fractional paper currency, nickels and cents	13,004	15,041	15,111
*Lawful money reserve in bank, viz.:			
Gold coin	1,164,442	1,195,940	1,208,757
Gold Treasury certificates	24,110	10,630	10,860
Gold clearing-house certificates	.....	.....	.....
Silver dollars	49,443	53,247	71,530
Silver Treasury certificates	155,424	92,338	152,599
Silver fractional coin	45,650	42,919	50,360
Legal-tender notes	653,054	464,096	647,973
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	60,750	62,072	65,160
Due from U. S. Treasurer	5,991	10,909	11,387
Total	$22,743,538	$22,507,231	$23,200,998
LIABILITIES.			
Capital stock paid in	$3,600,000	$3,600,000	$3,600,000
Surplus fund	618,000	618,000	618,000
Undivided profits, less expenses and taxes paid	439,758	432,815	480,147
National bank notes issued, less amount on hand	1,192,580	1,242,150	1,246,310
Due to other National banks	2,024,107	1,790,394	2,367,443
Due to State banks and bankers	3,845,294	3,941,928	4,468,635
Dividends unpaid	6,091	4,064	300
Individual deposits	10,572,942	10,389,261	10,115,052
U. S. deposits	252,940	235,273	274,516
Deposits of U. S. disbursing officers	46,892	65,615	35,587
Notes and bills rediscounted	54,931	67,727	.....
Bills payable	100,000	120,000	.....
Liabilities other than those above stated	.....	.....	.....
Total	$22,743,538	$22,507,231	$23,200,998
Average reserve held	29.15 p. c.	27.31 p. c.	36.86 p. c.

* The total lawful money reserve was $2,092,124 on July 14, 1896; $1,859,170 on October 6, 1896; $2,142,080 on December 17, 1896.

HOUSTON, TEXAS.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$2,506,749	$2,258,134	$2,047,048
Overdrafts	28,205	117,881	152,485
U. S. bonds to secure circulation	200,000	200,000	200,000
U. S. bonds to secure U. S. deposits	50,000	50,000	50,000
U. S. bonds on hand	.....	.....	.....
Premiums on U. S. bonds	22,233	21,933	21,900
Stocks, securities, etc.	28,635	34,807	32,907
Banking house, furniture and fixtures	132,796	132,796	132,851
Other real estate and mortgages owned	38,426	35,220	35,375
Due from National banks (not reserve agents)	100,114	73,150	450,671
Due from State banks and bankers	21,862	37,879	38,758
Due from approved reserve agents	219,657	509,245	890,583
Checks and other cash items	3,880	2,194	1,287
Exchanges for clearing-house	.....	.....	.....
Bills of other National banks	46,858	52,210	27,098
Fractional paper currency, nickels and cents	3,972	1,712	1,976
*Lawful money reserve in bank, viz.:			
Gold coin	150,126	190,619	272,577
Gold Treasury certificates	129,920	130,470	128,720
Gold clearing-house certificates	.....	.....	.....
Silver dollars	39,732	44,701	39,150
Silver Treasury certificates	90,942	48,111	90,735
Silver fractional coin	21,654	9,653	12,365
Legal-tender notes	446,472	835,750	623,501
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	9,00	9,000	9,000
Due from U. S. Treasurer	.....	.....	.....
Total	$4,291,247	$4,795,299	$5,256,972
LIABILITIES.			
Capital stock paid in	$1,150,000	$1,150,000	$1,150,000
Surplus fund	540,800	540,800	540,800
Undivided profits, less expenses and taxes paid	65,905	88,728	123,795
National bank notes issued, less amount on hand	153,420	156,050	149,980
Due to other National banks	168,175	469,193	488,296
Due to State banks and bankers	63,597	220,915	424,895
Dividends unpaid	17,758	3,951	3,873
Individual deposits	2,077,508	2,065,432	2,318,958

HOUSTON, TEXAS.—Continued.

LIABILITIES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
U. S. deposits	$50,000	$50,000	$50,000
Deposits of U. S. disbursing officers	.....	.....	.....
Notes and bills rediscounted	.....	45,000	.....
Bills payable	.....	.....	.....
Liabilities other than those above stated	4,088	5,228	6,397
Total	$4,291,247	$4,795,209	$5,256,972
Average reserve held	50.15 p. c.	67.17 p. c.	74.57 p. c.

*The total lawful money reserve was $478,846 on July 14, 1896; $2,933,901 on October 6, 1896; $1,167,048 on December 17, 1896.

KANSAS CITY, MO.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$14,100,614	$12,016,458	$11,602,334
Overdrafts	113,398	190,276	114,321
U. S. bonds to secure circulation	400,000	400,000	350,000
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000
U. S. bonds on hand	.....	.....	.....
Premiums on U. S. bonds	34,000	33,500	29,000
Stocks, securities, etc.	926,115	957,196	828,870
Banking house, furniture and fixtures	91,605	91,608	89,108
Other real estate and mortgages owned	373,500	385,500	380,861
Due from National banks (not reserve agents)	629,908	676,094	669,079
Due from State banks and bankers	693,434	979,085	1,112,888
Due from approved reserve agents	2,769,433	3,817,684	3,552,303
Checks and other cash items	111,633	75,439	101,926
Exchanges for clearing-house	484,559	595,222	535,527
Bills of other National banks	215,755	218,111	258,686
Fractional paper currency, nickels and cents	4,734	4,504	3,538
*Lawful money reserve in bank, viz.:			
Gold coin	1,038,747	1,183,570	1,056,475
Gold Treasury certificates	17,400	17,980	52,020
Gold clearing-house certificates	.....	.....	.....
Silver dollars	121,435	70,026	91,979
Silver Treasury certificates	248,572	573,715	870,628
Silver fractional coin	29,078	21,377	28,035
Legal-tender notes	718,110	1,067,233	1,160,210
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	18,000	18,000	15,750
Due from U. S. Treasurer	22,015	18,000	16,100
Total	$23,262,053	$23,510,584	$23,079,594
LIABILITIES.			
Capital stock paid in	$3,550,000	$3,550,000	$3,300,000
Surplus fund	552,500	554,500	539,500
Undivided profits, less expenses and taxes paid	172,873	179,129	217,529
National bank notes issued, less amount on hand	360,000	360,000	315,000
Due to other National banks	3,906,562	4,110,933	4,626,701
Due to State banks and bankers	4,067,386	4,486,501	4,821,220
Dividends unpaid	34,388	1,803	1,508
Individual deposits	10,190,417	9,749,659	8,666,084
U. S. deposits	$81,818	$90,924	101,182
Deposits of U. S. disbursing officers	21,105	12,132	10,868
Notes and bills rediscounted	.....	.....	.....
Bills payable	325,000	415,000	450,000
Liabilities other than those above stated	.....	.....	.....
Total	$23,262,053	$23,510,584	$23,079,594
Average reserve held	30.48 p. c.	42.35 p. c.	43.54 p. c.

*The total lawful money reserve was $2,173,342 on July 14, 1896; $2,933,901 on October 6, 1896; $3,259,347 on December 17, 1896.

LINCOLN, NEB.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$1,685,654	$1,613,515	$1,722,325
Overdrafts	9,457	9,743	16,770
U. S. bonds to secure circulation	150,000	150,000	150,000
U. S. bonds to secure U. S. deposits	.....	.....	.....
U. S. bonds on hand	.....	.....	21,340
Premiums on U. S. bonds	6,000	6,000	5,500
Stocks, securities, etc.	79,669	79,878	58,438
Banking house, furniture and fixtures	74,904	74,904	74,904
Other real estate and mortgages owned	79,319	82,478	82,301
Due from National banks (not reserve agents)	30,498	64,433	63,115
Due from State banks and bankers	99,973	25,883	54,187
Due from approved reserve agents	132,584	114,005	153,123
Checks and other cash items	17,521	30,766	9,968
Exchanges for clearing-house	16,697	17,533	15,200
Bills of other National banks	3,410	2,825	2,445
Fractional paper currency, nickels and cents	619	1,585	844

LINCOLN, NEB.—Continued.

RESOURCES	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
*Lawful money reserve in bank, viz.:			
Gold coin	$111,785	$107,395	$133,710
Gold Treasury certificates	660	.....	.....
Gold clearing-house certificates	.....	.....	.....
Silver dollars	8,650	8,493	5,663
Silver Treasury certificates	3,002	4,000	2,213
Silver fractional coin	5,647	4,669	2,858
Legal-tender notes	46,872	26,706	37,791
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	6,750	6,750	6,750
Due from U. S. Treasurer	.....	.....	.....
Total	$2,559,607	$2,431,746	$2,619,150
LIABILITIES.			
Capital stock paid in	850,000	850,000	$850,000
Surplus fund	135,000	85,000	85,000
Undivided profits, less expenses and taxes paid	30,962	27,226	28,277
National bank notes issued, less amount on hand	135,000	135,000	132,100
Due to other National banks	176,414	97,289	61,228
Due to State banks and bankers	147,397	102,986	96,159
Dividends unpaid	.....	.....	.....
Individual deposits	987,080	1,045,302	1,310,286
U. S. deposits	.....	.....	.....
Deposits of U. S. disbursing officers	.....	.....	.....
Notes and bills rediscounted	98,708	48,685	23,201
Bills payable	14,000	40,295	28,800
Liabilities other than those above stated	.....	.....	.....
Total	$2,559,607	$2,431,746	$2,619,150
Average reserve held	26.99p. c.	23.98 p. c.	25.67 p. c.

*The total lawful money reserve was $176,556 on July 14, 1896; $151,263 on October 6, 1896; $182,255 on December 17, 1896.

LOUISVILLE, KY.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$7,997,551	$7,774,286	$7,575,427
Overdrafts	36,634	24,408	23,512
U. S. bonds to secure circulation	1,275,000	1,375,000	1,775,000
U. S. bonds to secure U. S. deposits	500,000	500,000	500,000
U. S. bonds on hand	.....	.....	200,000
Premiums on U. S. bonds	96,421	96,421	174,421
Stocks, securities, etc	320,500	302,792	335,416
Banking house, furniture and fixtures	195,802	195,802	195,567
Other real estate and mortgages owned	26,376	26,463	28,587
Due from National banks (not reserve agents)	589,426	614,621	608,691
Due from State banks and bankers	336,208	197,687	265,270
Due from approved reserve agents	1,466,644	968,277	1,550,416
Checks and other cash items	17,581	15,030	7,736
Exchanges for clearing-house	135,304	62,959	304,701
Bills of other National banks	86,858	101,577	224,235
Fractional paper currency, nickels and cents	3,338	5,163	1,195
*Lawful money reserve in bank, viz.:			
Gold coin	608,208	689,877	1,065,430
Gold Treasury certificates	22,800	23,080	5,000
Gold clearing-house certificates	.....	.....	.....
Silver dollars	34,180	40,343	42,790
Silver Treasury certificates	34,588	40,000	.....
Silver fractional coin	19,455	18,944	13,029
Legal-tender notes	389,711	725,337	458,735
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	57,055	54,635	79,455
Due from U. S. Treasurer	5,000	4,000	4,000
Total	$14,254,832	$13,856,799	$15,439,428
LIABILITIES.			
Capital stock paid in	$3,601,500	$3,601,500	$3,601,500
Surplus fund	714,000	719,000	719,000
Undivided profits, less expenses and taxes paid	189,741	232,405	209,796
National bank notes issued, less amount on hand	1,142,100	1,229,660	1,580,170
Due to other National banks	1,954,247	1,387,370	2,244,977
Due to State banks and bankers	1,568,717	1,434,900	1,655,578
Dividends unpaid	9,614	10,048	4,935
Individual deposits	4,571,131	4,594,032	4,834,577
U. S. deposits	387,961	183,637	277,820
Deposits of U. S. disbursing officers	111,329	316,301	221,708
Notes and bills rediscounted	2,100	99,341	13,063
Bills payable	.....	59,200	60,000
Liabilities other than those above stated	2,390	.....	7,299
Total	$14,254,832	$13,856,799	$15,439,428
Average reserve held	35.31 p. c.	36.90 p. c.	41.02 p. c.

*The total lawful money reserve was $1,108,953 on July 14, 1896; $1,537,581 on October 6, 1896; $1,584,984 on December 17, 1896.

MILWAUKEE, WIS.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$14,790,482	$13,845,771	$13,226,112
Overdrafts	74,808	85,054	84,751
U. S. bonds to secure circulation	920,000	920,000	920,000
U. S. bonds to secure U. S. deposits	300,000	300,000	300,000
U. S. bonds on hand	8,250	7,250	7,750
Premiums on U. S. bonds	141,959	141,959	139,659
Stocks, securities, etc.	650,175	448,012	396,900
Banking house, furniture and fixtures	127,263	127,263	127,263
Other real estate and mortgages owned	25,000	27,522	27,522
Due from National banks (not reserve agents)	651,555	538,806	647,305
Due from State banks and bankers	389,885	249,608	364,165
Due from approved reserve agents	2,558,962	2,472,980	2,714,028
Checks and other cash items	3,133	2,998	10,715
Exchanges for clearing-house	283,724	366,951	336,373
Bills of other National banks	56,608	36,645	49,736
Fractional paper currency, nickels and cents	2,432	9,483	2,770
*Lawful money reserve in bank, viz.:			
Gold coin	2,070,680	2,037,107	1,787,170
Gold Treasury certificates	.....	25,000	.....
Gold clearing-house certificates	.....	.....	.....
Silver dollars	46,131	36,065	55,102
Silver Treasury certificates	108,004	56,884	84,761
Silver fractional coin	23,817	19,993	15,057
Legal-tender notes	638,560	422,640	592,239
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	41,400	41,400	41,400
Due from U. S. Treasurer	143,577	97,718	16,650
Total	$24,146,380	$22,407,115	$22,037,432
LIABILITIES.			
Capital stock paid in	$3,250,000	$3,250,000	$3,250,000
Surplus fund	521,000	521,000	521,000
Undivided profits, less expenses and taxes paid	135,951	219,680	278,198
National bank notes issued, less amount on hand	827,000	828,000	823,900
Due to other National banks	1,544,693	1,898,140	2,109,671
Due to State banks and bankers	815,685	765,694	972,844
Dividends unpaid	1,237	412	250
Individual deposits	16,526,111	14,441,884	13,681,106
U. S. deposits	201,400	201,570	320,004
Deposits of U. S. disbursing officers	323,300	280,733	80,457
Notes and bills rediscounted	.....	.....	.....
Bills payable	.....	.....	.....
Liabilities other than those above stated	.....	.....	.....
Total	$24,146,380	$22,407,115	$22,037,432
Average reserve held	30.43 p. c.	31.18 p. c.	33.55 p. c.

*The total lawful money reserve was $2,887,132 on July 14, 1896; $2,597,690 on October 6, 1896; $2,534,329 on December 17, 1896.

MINNEAPOLIS, MINN.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$11,393,509	$10,788,168	$11,217,563
Overdrafts	21,520	26,337	15,338
U. S. bonds to secure circulation	400,000	400,000	400,000
U. S. bonds to secure U. S. deposits	50,000	50,000	50,000
U. S. bonds on hand	500	500	500
Premiums on U. S. bonds	31,845	31,532	31,532
Stocks, securities, etc.	345,315	315,373	321,291
Banking house, furniture and fixtures	159,188	159,188	159,188
Other real estate and mortgages owned	303,751	303,410	307,103
Due from National banks (not reserve agents)	574,330	677,086	919,705
Due from State banks and bankers	346,273	455,924	535,214
Due from approved reserve agents	1,118,628	978,225	1,186,823
Checks and other cash items	45,582	31,417	51,765
Exchanges for clearing-house	534,399	850,872	600,849
Bills of other National banks	51,788	89,950	88,900
Fractional paper currency, nickels and cents	2,777	5,478	2,159
*Lawful money reserve in bank, viz.:			
Gold coin	863,647	943,192	889,452
Gold Treasury certificates	23,500	13,500	9,000
Gold clearing-house certificates	.....	.....	.....
Silver dollars	28,069	29,212	41,197
Silver Treasury certificates	28,000	130,029	149,000
Silver fractional coin	18,689	16,815	30,028
Legal-tender notes	307,193	679,124	488,634
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	18,000	18,000	17,600
Due from U. S. Treasurer	5,524	.....	3,442
Total	$16,672,033	$16,993,338	$17,516,389

MINNEAPOLIS, MINN.—Continued.

LIABILITIES	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Capital stock paid in	$5,200,000	$5,200,000	$5,200,000
Surplus fund	461,000	461,000	461,000
Undivided profits, less expenses and taxes paid	424,763	418,066	489,288
National bank notes issued, less amount on hand	301,150	330,150	324,150
Due to other National banks	1,395,732	1,568,580	2,089,183
Due to State banks and bankers	1,052,598	1,251,038	1,551,324
Dividends unpaid	6,202	13,612	886
Individual deposits	7,775,652	7,284,701	7,253,277
U. S. deposits	38,109	40,057	39,948
Deposits of U. S. disbursing officers	13,824	6,131	7,700
Notes and bills rediscounted	.....	100,000	.....
Bills payable	.....	310,000	50,000
Liabilities other than those above stated	5,000	30,000	49,600
Total	$16,672,033	$16,998,338	$17,516,380
Average reserve held	27.42 p. c.	34.80 p. c.	31.96 p. c.

*The total lawful money reserve was $1,269,098 on July 14, 1896; $1,811,873 on October 6, 1896; $1,607,311 on December 17, 1896.

NEW ORLEANS, LA.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$12,172,335	$10,625,970	$11,349,709
Overdrafts	744,134	633,550	990,661
U. S. bonds to secure circulation	1,000,000	850,000	900,000
U. S. bonds to secure U. S. deposits	.....	.....	.....
U. S. bonds on hand	3,000	3,100	2,800
Premiums on U. S. bonds	68,370	50,870	55,870
Stocks, securities, etc.	2,501,522	2,104,163	2,182,432
Banking house, furniture and fixture	674,258	503,698	619,239
Other real estate and mortgages owned	129,021	73,384	98,318
Due from National banks (not reserve agents)	339,861	353,677	620,649
Due from State banks and bankers	220,592	250,721	286,199
Due from approved reserve agents	1,440,078	1,009,721	2,067,718
Checks and other cash items	12,835	42,926	19,709
Exchanges for clearing-house	652,288	1,117,311	1,601,214
Bills of other National banks	99,182	57,765	57,610
Fractional paper currency, nickels and cents	7,681	3,376	4,387
*Lawful money reserve in bank, viz.:			
Gold coin	425,280	402,481	718,838
Gold Treasury certificates	169,610	119,650	119,500
Gold clearing-house certificates	.....	.....	.....
Silver dollars	43,295	54,019	61,279
Silver Treasury certificates	584,160	1,018,620	746,653
Silver fractional coin	52,238	49,306	63,077
Legal-tender notes	1,282,894	1,027,248	930,958
U. S. certificate of deposit for legal-tender notes	.....	.....	285,000
Five per cent. redemption fund with Treasurer	44,620	38,250	40,500
Due from U. S. Treasurer	1,880	.....	.....
Total	$22,669,144	$20,479,813	$23,792,326
LIABILITIES.			
Capital stock paid in	$2,000,000	$2,000,000	$2,300,000
Surplus fund	2,440,000	2,260,000	2,260,000
Undivided profits less expenses and taxes paid	273,194	315,782	413,128
National bank notes issued, less amount on hand	897,195	762,645	796,695
Due to other National banks	1,061,710	912,095	1,480,699
Due to State banks and bankers	1,215,142	870,574	1,722,857
Dividends unpaid	37,458	10,574	11,248
Individual deposits	13,544,014	12,108,141	14,532,697
U. S. deposits	.....	.....	.....
Deposits of U. S. disbursing officers	.....	.....	.....
Notes and bills rediscounted	248,178	200,000	75,000
Bills payable	52,250	750,000	200,000
Liabilities other than those above stated	.....	200,000	.....
Total	$22,669,144	$20,479,813	$23,792,326
Average reserve held	27.79 p. c.	31.42 p. c.	32.74 p. c.

*The total lawful money reserve was $2,557,487 on July 14, 1896; $2,761,324 on October 6, 1896; $2,925,305 on December 17, 1896.

OMAHA, NEB.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$8,263,702	$7,191,954	$7,421,821
Overdrafts	104,373	95,826	79,575
U. S. bonds to secure circulation	730,000	730,000	730,000
U. S. bonds to secure U. S. deposits	450,000	450,000	450,000
U. S. bonds on hand	.....	.....	12,000
Premiums on U. S. bonds	101,000	99,625	101,471
Stocks, securities, etc.	661,473	621,367	688,802
Banking house, furniture and fixtures	832,088	832,088	832,088

OMAHA, NEB.—Continued.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Other real estate and mortgages owned	$424,088	$458,101	$478,364
Due from National banks (not reserve agents)	578,903	453,292	422,512
Due from State banks and bankers	508,041	379,636	611,327
Due from approved reserve agents	1,628,993	1,944,006	1,492,595
Checks and other cash items	121,470	66,636	113,292
Exchanges for clearing-house	497,399	317,402	348,370
Bills of other National banks	147,484	238,427	152,842
Fractional paper currency, nickels and cents	9,109	5,670	5,228
*Lawful money reserve, viz.:			
Gold coin	1,328,777	1,479,395	1,506,925
Gold Treasury certificates	1,010	1,360	2,020
Gold clearing-house certificates	.....	.....	.....
Silver dollars	75,980	75,880	101,922
Silver Treasury certificates	91,586	162,991	150,805
Silver fractional coin	52,496	40,347	52,157
Legal-tender notes	461,847	1,176,590	920,350
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasury	32,230	32,460	32,690
Due from U. S. Treasury	990	.....	690
Total	$17,098,025	$16,853,170	$16,707,802
LIABILITIES.			
Capital stock paid in	$3,750,000	$3,750,000	$3,750,000
Surplus fund	323,500	323,500	312,000
Undivided profits, less expenses and taxes paid	68,169	70,493	83,222
National bank notes issued, less amount on hand	653,595	656,995	656,995
Due to other National banks	2,128,043	2,031,047	1,985,060
Due to State banks and bankers	1,861,618	1,716,012	1,784,408
Dividends unpaid	3,735	543	488
Individual deposits	7,847,223	7,765,848	7,641,912
U. S. deposits	278,144	152,586	259,219
Deposits of U. S. disbursing officers	98,995	236,144	164,491
Notes and bills rediscounted	.....	.....	.....
Bills payable	85,000	150,000	90,000
Liabilities other than those above stated	.....	.....	.....
Total	$17,098,025	$16,853,170	$16,707,802
Average reserve held	35.01 p. c.	46.73 p. c.	41.43p. c.

*The total lawful money reserve was $2,011,677 on July 14, 1896; $2,936,563 on October 6, 1896; $2,734,179 on December 17, 1896.

PHILADELPHIA, PA.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$88,230,372	$86,838,998	$85,739,612
Overdrafts	22,974	18,714	20,139
U. S. bonds to secure circulation	7,927,500	7,927,500	8,377,500
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000
U. S. bonds on hand	375,000	25,000	50,000
Premiums on U. S. bonds	824,899	800,441	870,933
Stocks, securities, etc.	10,203,952	10,174,324	9,097,880
Banking house, furniture and fixtures	4,331,202	4,321,202	4,333,217
Other real estate and mortgages owned	635,788	630,506	662,749
Due from National banks (not reserve agents)	6,809,521	6,570,797	6,514,762
Due from State banks and bankers	1,224,424	1,132,096	1,387,110
Due from approved reserve agents	10,444,559	10,739,404	14,693,787
Checks and other cash items	1,199,818	1,092,250	927,177
Exchanges for clearing-house	8,690,732	8,271,634	7,884,505
Bills of other National banks	425,442	430,863	430,513
Fractional paper currency, nickels and cents	58,450	63,868	65,047
*Lawful money reserve in bank, viz.:			
Gold coin	1,680,891	1,213,440	1,476,135
Gold Treasury certificates	204,220	196,030	256,930
Gold clearing-house certificates	5,575,000	3,665,000	4,240,000
Silver dollars	282,648	226,844	256,777
Silver Treasury certificates	3,837,876	3,632,998	4,5-9,825
Silver fractional coin	269,897	265,265	337,473
Legal-tender notes	2,510,878	2,646,183	2,797,152
U. S. certificates of deposit for legal-tender notes	3,495,000	5,020,000	5,230,000
Five per cent. redemption fund with Treasurer	343,237	355,472	366,648
Due from U. S. Treasurer	117,411	43,910	127,008
Total	$159,601,697	$156,512,740	$160,932,885
LIABILITIES.			
Capital stock paid in	$21,965,000	$21,965,000	$21,965,000
Surplus fund	14,673,000	14,673,000	14,718,000
Undivided profits, less expenses and taxes paid	2,583,597	3,049,980	2,762,051
National bank notes issued, less amount on hand	6,687,795	7,071,355	7,193,032
Due to other National banks	18,625,338	17,209,596	18,505,137
Due to State banks and bankers	5,622,285	5,050,960	5,281,909
Dividends unpaid	87,743	40,192	53,158
Individual deposits	88,706,765	86,374,253	89,156,229

PHILADELPHIA, PA.—Continued.

LIABILITIES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
U. S. deposits	$203,783	$198,358	$196,509
Deposits of U. S. disbursing officers	1,085	1,901	2,074
Notes and bills rediscounted	50,352	93,140	.....
Bills payable	395,000	785,000	800,000
Liabilities other than those above stated	.....	.....	299,783
Total	$159,601,697	$156,512,740	$160,992,885
Average reserve held	29.79 p. c.	30.24 p. c.	35.31 p. c.

*The total lawful money reserve was $17,836,410 on July 14, 1896; $16,865,760 on October 6, 1896; $19,184,292 on December 17, 1896.

PITTSBURG, PA.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$45,304,021	$43,923,195	$42,852,577
Overdrafts	68,956	82,950	65,301
U. S. bonds to secure circulation	4,810,250	4,960,250	5,160,250
U. S. bonds to secure U. S. deposits	200,000	200,000	200,000
U. S. bonds on hand	.....	500	700
Premiums on U. S. bonds	464,100	469,133	507,783
Stocks, securities, etc.	2,749,815	2,832,447	2,890,514
Banking house, furniture and fixtures	3,193,250	3,230,566	3,242,106
Other real estate and mortgages owned	537,164	539,672	544,908
Due from National banks (not reserve agents)	1,702,288	1,233,882	1,438,533
Due from State banks and bankers	300,355	267,602	271,559
Due from approved reserve agents	3,889,208	3,613,378	3,156,464
Checks and other cash items	322,657	278,504	220,322
Exchanges for clearing-house	1,681,613	1,963,065	1,625,659
Bills of other National banks	283,426	338,006	288,012
Fractional paper currency, nickels and cents	14,203	18,525	17,618
*Lawful money reserve in bank, viz.:			
Gold coin	2,885,171	3,082,686	3,082,617
Gold Treasury certificates	398,220	387,280	375,770
Gold clearing-house certificates	.....	.....	.....
Silver dollars	243,310	259,235	248,019
Silver Treasury certificates	641,974	625,760	721,568
Silver fractional coin	152,185	181,595	180,560
Legal-tender notes	2,044,351	2,332,774	2,324,006
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with treasurer	215,566	215,226	197,778
Due from U. S. Treasurer	120,000	42,525	32,713
Total	$72,233,112	$71,068,761	$69,541,368

LIABILITIES.			
Capital stock paid in	$12,100,000	$12,100,000	$12,100,000
Surplus fund	9,420,543	9,421,218	9,321,468
Undivided profits, less expenses and taxes paid	1,345,268	1,609,149	1,841,037
National bank notes issued, less amount on hand	4,287,572	4,422,222	4,582,302
Due to other National banks	5,303,774	4,690,555	4,516,738
Due to State banks and bankers	2,147,567	1,964,020	1,776,149
Dividends unpaid	124,194	56,323	60,146
Individual deposits	36,758,963	35,489,114	34,604,247
U. S. deposits	149,632	129,461	130,583
Deposits of U. S. disbursing officers	51,252	65,515	71,826
Notes and bills rediscounted	460,653	840,488	354,368
Bills payable	80,000	228,193	182,500
Liabilities other than those above stated	3,690	52,500	.....
Total	$72,233,112	$71,068,761	$69,541,368
Average reserve held	25.81 p. c.	27.71 p. c.	27.27 p. c.

*The total lawful money reserve was $6,365,211 on July 14, 1896; $6,869,330 on October 6, 1896; $6,882,565 on December 17, 1896.

ST. JOSEPH, MO.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$2,718,779	$2,493,742	$2,424,280
Overdrafts	21,509	15,154	12,016
U. S. bonds to secure circulation	200,000	200,000	200,000
U. S. bonds to secure U. S. deposits	50,000	50,000	50,000
U. S. bonds on hand	.....	.....	.....
Premiums on U. S. bonds	3,500	3,500	3,500
Stocks, securities, etc.	73,953	76,328	73,616
Banking house, furniture and fixtures	103,350	103,350	103,350
Other real estate and mortgages owned	35,096	47,643	47,363
Due from National banks (not reserve agents)	232,739	173,889	295,557
Due from State banks and bankers	71,233	57,351	85,439
Due from approved reserve agents	663,964	561,577	552,787
Checks and other cash items	24,185	30,347	19,538
Exchanges for clearing-house	42,552	49,836	70,324
Bills of other National banks	7,145	13,011	10,247
Fractional paper currency, nickels and cents	657	602	647

ST. JOSEPH, MO.—Continued.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
*Lawful money reserve in bank, viz.:			
Gold coin	$187,192	$204,022	$161,707
Gold Treasury certificates	6,360	11,370	10,800
Gold clearing-house certificates	.....	.....	.....
Silver dollars	21,502	18,802	18,562
Silver Treasury certificates	51,047	57,477	71,926
Silver fractional coin	4,716	5,897	5,265
Legal-tender notes	145,502	193,297	161,373
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	8,955	8,955	8,955
Due from U. S. Treasurer	1,700	1,100	2,900
Total	$4,675,191	$4,377,256	$4,389,316
LIABILITIES.			
Capital stock paid in	$850,000	$850,000	$850,000
Surplus fund	140,000	140,000	142,500
Undivided profits, less expenses and taxes paid	42,127	61,888	41,691
National bank notes issued, less amount on hand	179,100	179,000	179,100
Due to other National banks	340,519	273,636	278,489
Due to State banks and bankers	501,778	567,499	602,902
Dividends unpaid	3,913	1,079	672
Individual deposits	2,472,547	2,254,734	2,246,169
U. S. deposits	49,205	49,225	48,660
Deposits of U. S. disbursing officers	.....	94	342
Notes and bills rediscounted	.....	.....	.....
Bills payable	.....	.....	.....
Liabilities other than those above stated	.....	.....	3,718
Total	$4,675,191	$4,377,256	$4,389,316
Average reserve held	35.02 p. c.	37.21 p. c.	36.57 p. c.

*The total lawful money reserve was $416,369 on July 14, 1896; $490,866 on October 6, 1896; $429,693 on December 17, 1896.

ST. LOUIS, MO.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$27,706,748	$26,197,678	$24,941,743
Overdrafts	35,195	44,627	31,474
U. S. bonds to secure circulation	1,402,000	1,402,000	1,677,000
U. S. bonds to secure U. S. deposits	525,000	525,000	500,000
U. S. bonds on hand	.....	.....	.....
Premiums on U. S. bonds	173,500	170,250	184,500
Stocks, securities, etc	1,398,567	1,367,067	1,484,875
Banking house, furniture and fixtures	950,445	950,454	954,056
Other real estate and mortgages owned	173,141	178,114	171,447
Due from National banks (not reserve agents)	3,447,616	3,214,632	5,516,848
Due from State banks and bankers	666,953	871,881	994,963
Due from approved reserve agents	.....	.....	.....
Checks and other cash items	114,131	92,036	89,240
Exchanges for clearing-house	1,258,172	1,137,439	1,348,613
Bills of other National banks	137,867	97,749	364,979
Fractional paper currency, nickels and cents	2,041	1,494	1,663
*Lawful money reserve in bank, viz.:			
Gold coin	1,765,175	2,343,743	2,059,390
Gold Treasury certificates	193,730	190,760	181,890
Gold clearing-house certificates	.....	.....	.....
Silver dollars	19,381	31,575	46,424
Silver Treasury certificates	996,758	449,741	787,608
Silver fractional coin	25,475	22,480	25,619
Legal-tender notes	2,257,567	2,856,442	3,773,097
U. S. certificates of deposit for legal-tender notes	1,290,000	180,000	855,000
Five per cent. redemption fund with Treasurer	63,042	61,822	63,042
Due from U. S. Treasurer	16,250	1,000	13,200
Total	$44,648,758	$42,388,987	$46,066,678
LIABILITIES.			
Capital stock paid in	$9,400,000	$9,400,000	$9,400,000
Surplus fund	1,861,000	1,861,000	1,871,000
Undivided profits, less expenses and taxes paid	583,371	628,551	589,970
National bank notes issued, less amount on hand	1,250,340	1,260,540	1,490,530
Due to other National banks	6,949,783	6,705,241	8,356,931
Due to State banks and bankers	5,895,474	5,503,638	6,325,683
Dividends unpaid	2,363	1,717	4,972
Individual deposits	17,592,925	16,222,556	17,509,146
U. S. deposits	512,500	537,242	500,000
Deposits of U. S. disbursing officers	.....	.....	.....
Notes and bills rediscounted	101,000	53,500	.....
Bills payable	475,000	190,000	.....
Liabilities other than those above stated	25,000	25,000	18,442
Total	$44,648,758	$42,388,987	$46,066,678
Average reserve held	26.01 p. c.	25.95 p. c.	31.84 p. c.

*The total lawful money reserve was $6,548,086 on July 14, 1896; $6,075,741 on October 6, 1896; $7,729,028 on December 17, 1896.

ST. PAUL, MINN.

RESOURCES.	*July 14, 1896.*	*Oct. 6, 1896.*	*Dec. 17, 1896.*
Loans and discounts	$10,731,212	$10,450,811	$10,725,266
Overdrafts	10,063	16,704	12,864
U. S. bonds to secure circulation	252,000	252,000	252,000
U. S. bonds to secure U. S. deposits	475,000	475,000	475,000
U. S. bonds on hand	.....	.....	.....
Premiums on U. S. bonds	.....	.....	.....
Stocks, securities, etc	818,202	819,673	962,498
Banking house, furniture and fixtures	752,718	752,718	702,718
Other real estate and mortgages owned	175,479	175,481	75,138
Due from National banks (not reserve agents)	383,280	455,368	498,845
Due from State banks and bankers	129,092	206,266	217,233
Due from approved reserve agents	1,739,486	1,894,202	2,125,417
Checks and other cash items	84,090	88,828	88,215
Exchanges for clearing-house	329,510	384,661	412,651
Bills of other National banks	88,500	122,192	125,444
Fractional paper currency, nickels and cents	4,252	3,125	2,442
*Lawful money reserve in bank, viz.:			
Gold coin	2,152,885	1,947,879	2,152,142
Gold Treasury certificates	10,800	8,200	8,400
Gold clearing-house certificates	.....	.....	.....
Silver dollars	61,663	82,713	69,728
Silver Treasury certificates	61,125	228,588	231,802
Silver fractional coin	18,156	38,537	30,289
Legal-tender notes	145,508	448,469	386,401
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	11,293	11,293	11,293
Due from U. S. Treasurer	21,346	8,056	24,210
Total	$18,455,756	$18,807,861	$19,584,998
LIABILITIES.			
Capital stock paid in	$3,800,000	$3,800,000	$3,800,000
Surplus fund	1,055,000	1,055,000	1,055,000
Undivided profits, less expenses and taxes paid	896,113	898,373	1,062,065
National bank notes issued, less amount on hand	201,270	224,320	222,300
Due to other National banks	1,776,242	1,643,408	2,127,062
Due to State banks and bankers	1,401,861	1,241,346	1,780,592
Dividends unpaid	6,255	9,646	2,338
Individual deposits	8,840,060	9,485,486	9,054,834
U. S. deposits	293,175	132,651	205,677
Deposits of U. S. disbursing officers	171,753	317,629	260,198
Notes and bills rediscounted	.....	.....	.....
Bills payable	.....	.....	.....
Liabilities other than those above stated	14,025	.....	.....
Total	$18,455,756	$18,807,861	$19,584,998
Average reserve held	36.34 p. c.	39.44 p. c.	41.12 p. c.

*The total lawful money reserve was $2,450,137 on July 14, 1896; $2,754,386 on October 6, 1896; $2,878,762 on December 17, 1896.

SAN FRANCISCO, CAL.

RESOURCES.	*July 14, 1897.*	*Oct. 6, 1896.*	*Dec. 17, 1896.*
Loans and discounts	$7,025,026	$7,134,988	$7,019,299
Overdrafts	109,624	140,374	60,422
U. S. bonds to secure circulation	100,000	150,000	150,000
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000
U. S. bonds on hand	103,000	.....	.....
Premiums on U. S. bonds	27,675	10,500	12,660
Stocks, securities, etc	149,882	148,681	148,696
Banking house, furniture and fixtures	344,567	344,616	345,048
Other real estate and mortgages owned	34,033	33,922	32,440
Due from National banks (not reserve agents)	147,336	244,985	120,463
Due from State banks and bankers	296,061	328,904	525,638
Due from approved reserve agents	321,633	543,956	571,084
Checks and other cash items	.....	.....	8,200
Exchanges for clearing-house	206,324	227,139	131,318
Bills of other National banks	17,300	6,950	8,700
Fractional paper currency, nickels and cents	288	481	380
*Lawful money reserve in bank, viz.:			
Gold coin	1,476,502	2,308,180	2,560,477
Gold Treasury certificates	.....	.....	.....
Gold clearing-house certificates	.....	.....	.....
Silver dollars	17,160	12,260	20,900
Silver Treasury certificates	4,464	35,425	22,159
Silver fractional coin	33,670	24,332	37,228
Legal-tender notes	12,520	7,000	7,300
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	4,500	6,750	6,750
Due from U. S. Treasurer	400	1,200	.....
Total	$10,531,971	$11,899,816	$11,909,227

SAN FRANCISCO, CAL.—Continued.

LIABILITIES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Capital stock paid in	$2,500,000	$2,500,000	$2,500,000
Surplus fund	1,450,000	1,450,000	1,450,000
Undivided profits, less expenses and taxes paid	70,088	149,868	223,013
National bank notes issued, less amount on hand	45,000	71,500	90,000
Due to other National banks	521,972	602,691	584,768
Due to State banks and bankers	819,163	991,785	1,191,805
Dividends unpaid	13,775	1,250	50
Individual deposits	5,011,291	6,012,816	5,758,149
U. S. deposits	100,680	119,904	111,441
Deposits of U. S. disbursing officers	.....	.....	.....
Notes and bills rediscounted	.....	.....	.....
Bills payable	.....	.....	.....
Liabilities other than those above stated	.....	.....	.....
Total	$10,531,971	$11,899,816	$11,909,227
Average reserve held	32.25 p. c.	43.75 p. c.	47.30 p. c.

* The total lawful money reserve was $1,544,317 on July 14, 1896; $2,477,197 on October 6, 1896; $2,667,064 on December 17, 1896.

SAVANNAH, GA.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$1,164,179	$1,507,613	$1,439,608
Overdrafts	1,196	5,684	1,125
U. S. bonds to secure circulation	102,000	102,000	102,000
U. S. bonds to secure U. S. deposits	90,000	90,000	90,000
U. S. bonds on hand	.....	.....	.....
Premiums on U. S. bonds	11,400	11,150	11,150
Stocks, securities, etc	66,715	66,765	66,183
Banking house, furniture and fixtures	67,239	67,239	67,239
Other real estate and mortgages owned	18,380	18,587	18,981
Due from National banks (not reserve agents)	81,772	32,638	58,182
Due from State banks and bankers	40,139	28,901	24,757
Due from approved reserve agents	54,239	88,351	139,993
Checks and other cash items	.....	.....	.....
Exchanges for clearing-house	24,351	.....	36,822
Bills of other National banks	24,597	20,000	25,000
Fractional paper currency, nickels and cents	1,193	1,880	940
*Lawful money reserve in bank, viz.:			
Gold coin	3,300	12,600	17,000
Gold Treasury certificates	.....	1,000	.....
Gold clearing-house certificates	.....	.....	.....
Silver dollars	26,000	6,500	22,000
Silver Treasury certificates	150,000	27,000	43,486
Silver fractional coin	7,700	4,800	6,861
Legal-tender notes	80,000	55,000	50,000
U. S. certificates of deposit for legal-tender notes	.....	.....	.....
Five per cent. redemption fund with Treasurer	4,543	4,543	4,543
Due from U. S. Treasurer	2	7	7
Total	$2,018,950	$2,152,263	$2,225,820
LIABILITIES.			
Capital stock paid in	$750,000	$750,000	$750,000
Surplus fund	225,000	225,000	225,000
Undivided profits, less expenses and taxes paid	36,322	47,294	58,824
National bank notes issued, less amount on hand	88,475	90,020	86,960
Due to other National banks	61,884	47,660	71,810
Due to State banks and bankers	106,122	146,279	101,532
Dividends unpaid	1,712	1,023	960
Individual deposits	656,437	510,733	601,623
U. S. deposits	231	3,670	13,940
Deposits of U. S. disbursing officers	86,025	80,563	74,151
Notes and bills rediscounted	.....	25,019	16,019
Bills payable	.....	225,000	225,000
Liabilities other than those above stated	6,739	.....	.....
Total	$2,018,950	$2,152,263	$2,225,820
Average reserve held	43.93 p. c.	28.20 p. c.	39.46 p. c.

*The total lawful money reserve was $267,000 on July 14, 1896; $106,900 on October 6, 1896; $139,347 on December 17, 1896.

WASHINGTON, D. C.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Loans and discounts	$8,028,322	$8,147,070	$8,090,981
Overdrafts	20,777	16,412	9,294
U. S. bonds to secure circulation	874,150	904,150	904,150
U. S. bonds to secure U. S. deposits	100,000	100,000	100,000
U. S. bonds on hand	396,000	377,900	330,000
Premiums on U. S. bonds	68,174	68,917	61,159
Stocks, securities, etc	1,393,502	1,363,113	1,351,357
Banking house, furniture and fixtures	1,069,994	1,069,994	1,069,994

WASHINGTON, D. C.—Continued.

RESOURCES.	July 14, 1896.	Oct. 6, 1896.	Dec. 17, 1896.
Other real estate and mortgages owned	$56,133	$54,851	$53,059
Due from National banks (not reserve agents)	583,900	604,805	710,441
Due from State banks and bankers	384,901	478,215	472,002
Due from approved reserve agents	1,502,605	1,046,352	1,562,147
Checks and other cash items	125,834	259,331	146,352
Exchanges for clearing-house	181,983	205,891	197,703
Bills of other National banks	19,856	16,455	8,348
Fractional paper currency, nickels and cents	6,483	6,622	8,781
*Lawful money reserve in bank, viz.:			
Gold coin	616,506	776,462	864,652
Gold Treasury certificates	681,550	754,110	634,460
Gold clearing-house certificates	.....	.....	.....
Silver dollars	13,755	15,062	8,962
Silver Treasury certificates	1,356,175	1,430,906	784,161
Silver fractional coin	28,062	18,271	38,023
Legal-tender notes	880,561	714,152	666,127
U. S. certificates of deposit for legal-tender notes	10,000	210,000	160,000
Five per cent. redemption fund with Treasurer	33,770	34,729	36,169
Due from U. S. Treasurer	.....	1,310	.....
Total	$18,513,178	$18,741,235	$18,268,418
LIABILITIES.			
Capital stock paid in	$3,075,000	$3,075,000	$3,075,000
Surplus fund	1,401,000	1,401,500	1,401,500
Undivided profits, less expenses and taxes paid	363,072	278,747	319,416
National bank notes issued, less amount on hand	681,615	706,645	710,095
Due to other National banks	316,869	329,157	318,973
Due to State banks and bankers	158,130	228,846	153,243
Dividends unpaid	7,676	4,911	2,993
Individual deposits	12,513,397	12,574,981	12,153,080
U. S. deposits	56,417	88,804	94,666
Deposits of U. S. disbursing officers	.....	.....	.....
Notes and bills rediscounted	15,050	20,061	.....
Bills payable	25,000	32,500	39,500
Liabilities other than those above stated	.....	.....	.....
Total	$18,513,178	$18,741,235	$18,268,418
Average reserve held	42.12 p. c.	40.22 p. c.	39.48 p. c.

*The total lawful money reserve was $3,586,609 on July 14, 1896; $3,925,023 on October 6, 1896; $3,156,386 on December 17, 1896.

New Counterfeits—$10 National Bank Note.—On the Union National Bank of Detroit, Mich. Check letter B, series of 1882; W. S. Rosecrans, Register, C. N. Jordan, Treasurer; charter number 3487, bank number 3981, Treasury number B162032. It is a photographic production, printed on two pieces of paper of fair quality, pasted together, between which silk threads have been distributed. The back of the particular note under examination is upside down. The color of the Treasury and bank numbers is brick red, having been applied with pen or brush, as is the case with the chocolate tint of the seal, the green of the panel containing the charter number on back of note, and the maroon of the charter number and "series 1882," face of note. The color of the back of note, with the exception of the panel above referred to, is dull dark brown, while that of the face, except the numbers and seal, is the grayish brown tint peculiar to photographs. This note is the product of the same hand as the National Bank of Commerce, New York, note previously described, and should not deceive an ordinarily careful handler of money.

NEW COUNTERFEIT $20 U. S. SILVER CERTIFICATE.—Series 1891, check letter B, plate No. 6; J. Fount Tillman, Register; D. N. Morgan, Treasurer; portrait of Daniel Manning; small scalloped seal. This is a very dangerous counterfeit; the most noticeable defect is in the Treasury numbers, which, although of good color, are entirely too heavy and out of alignment. The fine shade lines of all the lettering are not clearly defined. The portrait of Daniel Manning does not stand out in relief as in the genuine, especially is this true of the hair, making it almost impossible to discern where the hair ends and the shade begins. The color of the seal is several shades lighter than the genuine. The parallel ruled lines in the panels containing the numbers are much broken and indistinct. The green ink used on back of note is too light, giving it a faded appearance. The knob or screw head of bracket in upper right corner, face of note, and which appears in the panel containing the Treasury number, has the appearance of having been added to the note with pen and ink, and is noticeably defective. The paper on which this counterfeit is printed is of good quality, the silk threads of the genuine being imitated by heavy pen and ink lines on back of note. The work on this note is similar in many respects to that of the $20 Silver Certificate, check letter C, plate number 5, previously described.

MONEY, TRADE AND INVESTMENTS.

A REVIEW OF THE FINANCIAL SITUATION.

NEW YORK, January 4, 1897.

THE REASSEMBLING OF CONGRESS last month was in one sense an important event, although shorn of some of its significance by reason of the fact that the session will end on March 4 next, and that there is no possibility of any serious legislation by this Congress, which is in a state of deadlock on almost every prominent issue. The attempt of the Senate to adopt a resolution recognizing the independence of Cuba was the only sensation Congress inspired, and the attitude taken by the Secretary of State in opposition to the right of Congress to recognize a foreign state, added to the public interest thus aroused. The chance of a controversy with Spain over the matter was considered a bear point in Wall Street, and the stock market suffered a decline.

A long series of bank failures chiefly in the Northwest was the most unfavorable feature of the closing month of the year. The failure of the National bank of Illinois, located at Chicago, was the most serious, but this and all the other failures of financial institutions were the result of causes which existed for some time past. They may be considered the aftermath of a long period of depression which now appears to be nearly ended.

From various parts of the country there have been recent evidences of an awakening sentiment in favor of concentrating banking capital and resources which have been distributed too widely and among too many enterprises. In Boston a movement is now on foot to reduce the number of National banks in that city by consolidating some of them. An attempt in the same direction is proposed in Kansas and in some other of the Western States. During the period when prosperity was making every wheel whirl and every industry thrive, the growth of banking facilities was very rapid. The three years of depression since have severely tried some of the newer and weaker institutions and the elimination of some of them by absorbing them into other and stronger concerns would seem to be for the public good.

One of the most favorable incidents of the situation is the steady increase in the gold reserve of the Treasury. There was at the close of the month $175,000,000 of gold in the Treasury offset by less than $38,000,000 of gold certificates outstanding, leaving about $137,000,000 of gold actually owned by the Government. In January 1896, there was less than $50,000,000 net gold in the Treasury, and in January, 1895, less than $45,000,000.

The increase of gold in the Treasury vaults has naturally caused inquiry as to when the Government would resume the issue of gold certificates which was suspended early in 1893. The law directs that no certificates shall be issued when the gold in the Treasury held for the redemption of legal tenders falls below $100,000,000.

Under that law Secretary Carlisle suspended the issue of gold certificates, and he has decided that for the present he will not resume their issue. By this course the Secretary makes it easier to protect his gold reserve. Five years ago there were $163,000,000 of gold certificates outstanding, and although there was nearly $283,000,000 of gold in the Treasury the Government actually owned only about $120,000,000. With $108,000,000 less gold in the Treasury now the Government owns $17,000,000 more gold than it did in January, 1892.

There is less apprehension regarding gold exports than was entertained awhile ago. The large excess of exports of merchandise precludes an outward gold movement, unless another break in confidence causes the return from abroad of a large quantity of our securities. The small imports of merchandise, however, keep down the customs' revenues of the Government, thus causing a deficit, which is as fatal to the cash reserves of the Government as a demand for gold.

The exports of merchandise continue to be of extraordinary volume. The returns for the last month of the year are not in yet, but estimating the total for that month at $92,000,000, the same as in December, 1895, the aggregate for the calendar year 1896 will exceed $980,000,000; the largest for any previous year was $970,000,000, recorded in 1891. In the following table we show the total exports of merchandise for the six and twelve months ended December 31, and the excess of mports or exports for the corresponding periods for each of the past seven years, December, 1896, being estimated the same as in 1895:

YEAR.	*Six months ended Dec. 31.*	*Excess.*	*Calender year.*	*Excess.*
1890.....	$465,096,359	Exports, $52,826,185	$857,502,548	Exports, $34,104,822
1891.....	551,125,195	" 155,450,274	970,509,646	" 142,188,703
1892.....	459,267,707	" 50,064,293	938,420,660	" 97,489,705
1893.....	487,711,294	" 168,659,878	876,106,781	" 99,859,857
1894.....	420,672,970	" 80,308,235	825,102,248	" 148,780,307
1895.....	437,997,280	" 27,925,824	824,882,475	" 23,190,789
1896.....	536,599,828	" 221,458,339	961,211,825	" 296,414,779

The exports for the last six months of 1896 (December estimated) exceed in value those of any corresponding period excepting in 1891. The largest total for the last half of any year prior to 1891 was $477,000,000, in 1891 the exports reached $551,000,000, while in 1896 they were $536,000,000. The largest total recorded in the first half of any year is $479,000,000 in 1892. There is no record paralleling that of the last half of 1896 as to the excess of exports over imports. The balance for that period is $221,000,000. In the last half of 1879 the net exports were $216,000,000; after seventeen years that record is now beaten. For the calendar year 1896 the net exports were $296,000,000, and may have gone above $300,000,000. That comes close to the largest balance for any similar year. In 1878 the exports exceeded the imports by $305,000,000, the next largest total being recorded in the following year, when it reached $251,000,000. The latter is beaten in 1896 by $40,000,000 or more.

The brightest spot in the business situation for some time past has been our foreign trade. Generally, the year 1896 has been one unfavorable to commercial or industrial advancement. The exchanges of the New York Clearing-House banks in 1896 were nearly $1,000,000,000 less than in 1895, the figures for the two years being: 1896, $28,870,775,056; 1895, $29,844,796,924. Compared with 1894 there is an increase of nearly $4,500,000,000, but comparisons with earlier years show a greater decrease than the falling off from 1895. The bank clearings of the United States also show a decline from 1895. The completed returns have not yet been published, but outside of New York the loss will be about five per cent., or approximately $1,200,000,000, a decrease of more than $3,000,000,000 as compared with 1892.

But for the improvement in the latter part of 1896, the complete record would make a very unsatisfactory exhibit when compared with the previous year. The change for the better is strikingly shown in the statements of the New York banks. The deposits which at the close of 1895 were $501,000,000 fell to $481,000,000 in April, 1896, increased to about $506,000,000 in July, and fell to $488,000,000 in November. On December 26, they had risen to nearly $526,000,000, or $25,000,000

more than they were a year ago. In 1895, the deposits fell off more than $50,000,000. The following table shows the extreme range of deposits and surplus reserve in each of the past seven years:

YEAR.	*Deposits.*		*Surplus reserve.*	
	Highest.	Lowest.	Highest.	Lowest.
1890	$431,599,600	$376,746,500	$15,031,650	* $3,306,925
1891	455,306,300	388,491,500	24,089,775	3,102,750
1892	543,663,100	444,370,100	36,020,900	539,050
1893	506,437,800	370,302,400	80,815,150	* 16,545,375
1894	595,104,900	518,524,600	111,623,000	32,932,650
1895	577,223,300	500,822,300	45,880,450	13,413,450
1896	525,887,200	438,437,600	40,182,400	8,228,500

* Deficit.

The deposits reached the lowest point in three years on November 6. During the years 1894 and 1895, they never fell below $500,000,000, while in only two weeks of 1896, until December last, were they as much as that sum. The surplus reserve also reached its lowest point for three years in 1896. Loans, which in September 1895 aggregated $522,000,000, were only $442,000,000 in November last, but they have since increased to $487,000,000.

If the condition of general business is to be judged by the earnings of the railroads, the situation must be described as only "fair to middling." Railroad earnings have been declining of late although not enough probably to make the total for the year fall below that of 1895. At the end of November the gross earnings were about 2 per cent. larger than in 1895. Decreases have been reported by most of the roads in December, but some gain for the year will most likely be shown in the aggregate. Enormous decreases were reported in 1893 and 1894, and only a fraction of that loss was recovered in 1895, consequently 1896 will make a poor showing when compared with any recent year prior to 1894.

According to the record kept by the Chicago "Railway Age," 34 railroads with 5,441 miles of lines, and a total stock and bond capitalization of $275,600,000 were put into the hands of receivers. This is a more favorable result than was reported in 1892, 1893, or 1894. During the past year 58 railroads with 18,730 miles of lines and a capitalization of $1,150,000,000, were sold under foreclosure, but these sales are only the consummation of the disaster of previous years.

The construction work done on the railroads during the year indicates the extreme of depression in that industry. Only 1,802 miles of railway lines were built in 1896, which is about the same as in 1895. The mileage laid in each of those years is the smallest for any year since 1875. More active operations are expected in 1897, and only the financial and political troubles prevented a revival last year. The construction of railroad engines and cars in 1896 was very largely in excess of that of the previous year which may be considered a very favorable sign.

The coal and iron trades have reflected to some extent the influences that have controlled other industries. The anthracite coal producers by entering into an agreement to maintain prices saved the trade from total demoralization. The output was kept down to about 44,000,000 tons, a reduction of 2,000,000 tons as compared with 1895, but nearly 3,000,000 tons in excess of the tonnage of 1894. The iron trade declined in activity almost continuously from Jan. 1, to Oct. 1, the weekly output falling from 207,481 tons to 112,782 tons. In the last quarter of the year there has been a fair recovery, the output on December 1 being 142,278 tons, and at the close of the year about 145,000 tons. Prices are low and the prospect of an immediate advance is not encouraging. One of the latest announcements of the year was that the price of steel rails, which has been $28 for some time, is to be reduced to $25.

The stock market reached the extreme of depression during 1896, the average of prices of stocks reaching the lowest point touched in a number of years. There was a recovery which culminated about the middle of November, and a final decline of about five per cent., which leaves prices just about where they were at the beginning of the year. The business transacted at the Stock Exchange fell off considerably as compared with the previous year. The total transactions in each of the past five years were as follows:

	Stocks—Shares.	*State and railroad bonds.*	*Government bonds.*
1892	86,850,930	$501,398,200	$1,662,400
1893	77,984,965	299,372,327	2,021,450
1894	49,275,736	352,741,950	4,293,300
1895	66,440,576	495,904,950	7,046,250
1896	54,490,643	358,815,850	27,121,550

The listing of securities on the Stock Exchange in 1896 reached a higher aggregate than in many years past, but more than sixty per cent. of the bonds and stocks listed were issued to replace old issues. There were $575,264,000 of bonds listed, of which $378,219,500 replaced old issues and $197,044,500 were new issues, and $609,590,215 of stocks, of which $499,979,200 were in place of old issues and $109,611,015 were new. The new issues of stock listed in 1895 were $108,812,101. Of the new bond issues $100,000,000 were Government bonds, leaving about $97,000,000 of other bonds. In 1895 the Stock Exchange listed $182,000,000 of new issues of bonds, of which $62,000,000 were Government bonds, leaving $120,000,000 of other bonds.

The business failures during the year were exceptionally large, and the totals are without parallel except in the panic years of 1893 and 1884. The failures numbered about 15,000, with liabilities of $350,000,000, the latter being about the same as in 1884. In 1893 the liabilities aggregated over $400,000,000. The failures were largely swelled in the last month of the year by the suspension of banking institutions. The bank failures during the year numbered one hundred and ninety-five, with liabilities approximating $50,000,000.

THE MONEY MARKET.—The last month in the year is usually a quiet one in the money market. At no time during the month did call money command more than 2½ per cent, while 1½ @ 2 per cent. was the ruling rate most of the time. There was little demand for time money and only a small supply of commercial paper. Money has been accumulating in the local banks and late in the month currency was flowing in from outside points quite freely. A more active demand for money soon after the beginning of the new year is anticipated, but the business situation is somewhat problematic as yet. At the close of the month call money ruled at 1½

MONEY RATES IN NEW YORK CITY.

	Aug. 1.	*Sept. 1.*	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
Call loans, bankers' balances	2 —2½	6 —8	3 —6	6 —	1 —3	1½—2½
Call loans, banks and trust companies	2 —3	6	6	12 —	3 —	2 —
Brokers' loans on collateral, 30 to 60 days	4 —4½	6 —8	6	12 —	3 —	3 —
Brokers' loans on collateral, 90 days to 4 months	5½—6	9 —11	6	10 —	3½—4	3½—
Brokers' loans on collateral, 5 to 7 months	6	10 —11	6	6 —8	4 —	4 —
Commercial paper, endorsed bills receivable, 60 to 90 days	5½—6	9	6½—7	8 —10	4 —4½	3¾—4
Commercial paper prime single names, 4 to 6 months	6 —7	.....	7 —7½	8 —10	4½—5	4 —4½
Commercial paper, good single names, 4 to 6 months	7 —8	.....	8 —9	8 —10	5 —6	4½—5½

@ 2½ per cent. with the average rate about 2 per cent., while banks and trust companies quote 2 per cent. as the minimum rate. Time money on Stock Exchange collateral was quoted at 3 per cent for 60 to 90 days, 3½ per cent. for four months, and 4 per cent. for five to seven months. For commercial paper the rates are 3¾ @ 4 per cent. for 60 to 90 days endorsed bills receivable, 4 @ 4½ per cent. for four months commission house and first-class four to six months single names and 4½ @ 5½ per cent. for good paper having the same length of time to run. The rates for money in this city on or about the first of the month for the past six months are shown in the foregoing table:

EUROPEAN BANKS.—The principal European banks last month suffered reductions in their gold holdings. The Bank of England lost nearly $9,500,000, the Bank of France $8,500,000, the Bank of Germany $2,000.000 and Austria-Hungary $1,500,000. Compared with a year ago the seven leading banks lost nearly $34,000,000 in gold, but the Bank of England lost $54,000,000 and France $7,500,000 while Austro-Hungary gained about $30,000,000.

GOLD AND SILVER IN THE EUROPEAN BANKS.

	November 1, 1896.		*December 1, 1896.*		*January 1, 1897.*	
	Gold.	*Silver.*	*Gold.*	*Silver.*	*Gold.*	*Silver.*
England	£36,182,073	.....	£36,050,848	.....	£34,158,899	.....
France	77,547,252	£49,224,443	77,284,863	£49,274,611	76,584,590	£49,130,797
Germany	28,051,600	14,025,800	28,964,000	14,482,000	28,505,450	14,252,750
Austro-Hungary	30,453,000	12,662,000	30,625,000	12,589,000	30,340,000	12,578,000
Spain	8,528,000	9,940,000	8,528,000	9,968,000	8,528,000	10,210,000
Netherlands	2,636,000	6,743,000	2,635,000	6,759,000	2,634,000	6,841,000
Nat. Belgium	2,686,000	1,333,000	2,701,333	1,350,667	2,736,667	1,368,333
Totals	£186,063,925	£93,928,243	£186,789,044	£94,423,278	£183,487,606	£94,380,880

MONEY RATES ABROAD.—There has been but little change in rates for money at European centers in the past month. The final rate in the principal market are a fraction higher than they were a month ago. At the close of the month the discount rate in London for 60 to 90 day bank bills was 3⅝ per cent. and the open market rate at Paris 2 per cent. and at Berlin and Frankfort 4¼ per cent.

MONEY RATES IN FOREIGN MARKETS.

	July 17.	*Aug. 14.*	*Sept. 18.*	*Oct. 16.*	*Nov. 13.*	*Dec. 11.*
London—Bank rate of discount	2	2	2½	3	4	4
Market rates of discount:						
60 days bankers' drafts	1— 5/16	7/8—1	1 7/16	2 1/16	3 5/16	3 1/16— 1/4
6 months bankers' drafts	1 1/16— 3/16	7/8— 11/16	1 7/16—2 1/16	2 3/16	3 1/16—3 1/4	2 3/4
Loans—Day to day	1/2	1/2	1	1 1/2	3	2 1/2
Paris, open market rates	1 3/4	1 1/2	1 7/16	2	1 7/16	1 3/4
Berlin, "	2 1/4	2 1/2	3 1/4	4 1/16	4 1/2	4 7/8
Hamburg, "	2 1/2	2 1/2	3 1/4	4 1/2	4 1/2	4 1/2
Frankfort, "	2 1/2	2 1/2	3 5/8	4 1/2	4 1/2	4 7/8
Amsterdam, "	2 3/4	2 1/2	2 1/2	3	3 1/2	3
Vienna, "	3 3/4	3 3/4	4	3 7/8	3 3/4	3 3/4
St. Petersburg, "	6	6	5 1/4	5 1/2	6	5 1/4
Madrid, "	5	5	5	5	5	4
Copenhagen, "	3 1/2	3 1/2	3 1/2	4 1/2	4 1/2	4

FOREIGN EXCHANGE.—Rates for sterling exchange have been alternately weak and strong. At one time there was a prospect of a gold shipment to Berlin, but the matter fell through as the element of profit was lacking. The active demand for money at that center encouraged the expectation of such a shipment, but the present condition of foreign exchange suggests gold imports rather than exports at this time. Lower rates for sterling are looked for as considerable long exchange bought for investment some time ago will begin to mature. The market is in an abnormal

condition for this season of the year, but the foreign trade movements offer a satisfactory explanation. The following table shows the condition of foreign exchange markets.

RATES FOR STERLING AT CLOSE OF EACH WEEK.

Week ended	BANKERS' STERLING. *60 days.*	BANKERS' STERLING. *Sight.*	*Cable transfers.*	*Prime commercial. Long.*	*Documentary Sterling. 60 days.*
Dec. 5	4.83¾ @ 4.84	4.86⅛ @ 4.86¾	4.87 @ 4.87⅛	4.83¼ @ 4.83½	4.82½ @ 4.82¾
" 12	4.83⅛ @ 4.83¾	4.86⅛ @ 4.86¾	4.87 @ 4.87⅛	4.83 @ 4.83¼	4.82¼ @ 4.83
" 19	4.84 @ 4.84¼	4.87⅛ @ 4.87⅜	4.88 @ 4.88⅛	4.83½ @ 4.83¾	4.82¾ @ 4.83¼
" 26	4.83½ @ 4.83¾	4.87 @ 4.87⅛	4.87½ @ 4.87¾	4.83 @ 4.83¼	4.82¾ @ 4.83
Jan. 2	4.83¾ @ 4.84	4.86¼ @ 4.86½	4.87 @ 4.87⅛	4.83 @ 4.83¼	4.82¾ @ 4.83

FOREIGN EXCHANGE—ACTUAL RATES ON OR ABOUT THE FIRST OF EACH MONTH.

	Sept. 1.	*Oct. 1.*	*Nov. 1.*	*Dec. 1.*	*Jan. 1.*
Sterling Bankers—60 days	4.82 — 2¼	4.83¼ — 3	4.81¼ — 2	4.83¾ — 4	4.83½ — ¾
" " Sight	4.84 — 4¼	4.85¼ — ⅛	4.84⅛ — ¾	4.86¾ — 7	4.86½ — ⅝
" " Cables	4.84½ — 4¾	4.85¾ — 6	4.85¼ — ⅛	4.87 — ¼	4.87 — ¼
" Commercial long	4.81¼ — ¾	4.82¼ — ¾	4.81 — ¼	4.83¾ — 3	4.83 — ¼
" Docu'tary for paym't.	4.81 — 1⅛	4.81¼ — 2½	4.80 — ¾	4.82½ — ¾	4.82¾ — 3
Paris—Cable transfers	5.20 —19⅛	5.18⅛ — 7½	5.19⅜ — 8¾	5.17½ —	5.17½ —
" Bankers' 60 days	5.22½ — 17⅛	5.20⅜ —	5.22½ — 17⅛	5.20⅛ —20	5.20 —19⅜
" Bankers' sight	5.20⅜ —20	5.18¾ — ⅛	5.20 — 9⅜	5.18⅛ —	5.18⅛ —
Antwerp—Commercial 60 days.	5.25⅝ — 4⅜	5.23¾ — ⅛	5.25 — 4⅜	5.23⅛ — 2½	5.23⅛ — 17½
Swiss—Bankers' sight	5.21¼ — ⅝	5.18¾ — ⅛	5.19⅜ — 8¾	5.19⅜ — 8¾	5.20 —19⅜
Berlin—Bankers' 60 days	94⅛ — ⅛	94⅝ — ⅛	94⅞ — ⅛	94⅜ — ⅛	94⅞ — ⅛
" Bankers' sight	94⅜ — 5	95⅛ — ⅛	95⅛ — ⅛	95⅛ — ⅛	95⅛ — ⅛
Brussels—Bankers' sight	5.20⅛ —20	5.18¾ —	5.20 —	5.18¾ — ⅛	5.18¾ — ⅛
Amsterdam—Bankers' sight	40 — ⅛	40⅛ — ⅛	40 — ⅛	40¼ — ⅛	40⅛ — ¼
Kronors—Bankers' sight	26⅛ — ⅛	26⅛ — ⅞	26⅞ — ⅛	27 — ⅛	27 — ⅛
Italian lire—sight	5.60 —50	5.60 —50	5.57½—47½	5.55 —45	5.45 — 35

BANK OF ENGLAND STATEMENT AND LONDON MARKETS.

	Sept. 16, 1896.	*Oct. 14, 1896.*	*Nov. 11, 1896.*	*Dec. 30, 1896.*
Circulation (exc. b'k post bills)	£26,835,985	£27,445,550	£26,546,535	£26,021,850
Public deposits	6,514,798	5,420,991	5,393,967	6,836,327
Other deposits	50,263,036	47,708,184	43,500,134	42,213,382
Government securities	14,944,906	16,185,047	13,758,066	13,752,969
Other securities	28,347,085	27,986,077	27,329,644	27,137,935
Reserve of notes and coin	32,110,428	26,770,903	25,718,470	26,001,241
Coin and bullion	42,146,413	37,506,545	35,464,905	35,223,091
Reserve to liabilities	56⅛%	50¼%	52⅝%	52⅞%
Bank rate of discount	2—3%	3%	4%	4%
Market rate, 3 months' bills	1⅛@1⅛%	2⅝ @ 2¾%	3⅝@3¾%	3⅝ @ 3¾%
Price of Consols (2¾ per cents.)	109⅝	108½	110¼	110¾
Price of silver per ounce	30⅛d.	29¾d.	29¼d.	30d.
Average price of wheat	28s. 9d.	25s. 2d.	30s. 9d.	32s. 8d.

SILVER.—The London silver market has been very quiet throughout the month. No special influences have been at work to affect the price and so the fluctuations have been narrow and slightly downward in the latter part of the month. From 29⅞d. the closing price in November, there was an advance to 30d. which quotation

MONTHLY RANGE OF SILVER IN LONDON—1894, 1895, 1896.

MONTH.	*1894.*		*1895.*		*1896.*		MONTH.	*1894.*		*1895.*		*1896.*	
	High	*Low.*	*High*	*Low.*	*High*	*Low.*		*High*	*Low.*	*High*	*Low.*	*High*	*Low.*
January..	31¾	30¼	27 7/16	27 3/16	30½	30⅞	July	28⅛	28⅞	30⅝	30¼	31⅝	31⅜
February	30⅛	27½	27⅛	27⅛	31 3/16	30⅜	August	30½	28⅛	30⅜	30¼	31⅝	30⅜
March	27⅞	27	30¼	27⅝	31⅛	31⅛	Septemb'r	30¼	29⅜	30⅜	30⅛	30⅛	30
April	29½	29¼	30⅜	29⅝	31 3/16	30⅛	October	29⅜	28⅛	31¼	30⅝	30 3/16	29⅝
May	29¼	28 1/16	30⅝	30 1/16	31 3/16	30⅛	Novemb'r	29⅜	28⅝	31	30⅝	30 1/16	29¼
June	28 1/16	28 1/16	30⅛	30⅝	31 1/16	31 1/16	Decemb'r	28½	27 3/16	30⅛	30	30	29⅛

ruled until the last week when the price declined to 29 13-16d. the lowest and final price of the month.

GOVERNMENT REVENUES AND DISBURSEMENTS.—For the first time since June, 1896, the Government reports an excess of receipts over disbursements for the month. The surplus is small, only $651,114, but it compares with a deficit of over $8,000,000 in November. The favorable showing is due mainly to the cutting down in expenditures, the total for the month, $25,206,000, being the smallest reported in any month since September, 1895. In November the total expenditures were $33,000,000. For the six months ended December 31 there is a deficit of $39,295,781. This will be increased by a further deficit in January, as the interest payments will be large this month.

UNITED STATES TREASURY RECEIPTS AND EXPENDITURES.

RECEIPTS.			EXPENDITURES.		
Source.	*December, 1896.*	*Since July 1, 1896.*	*Source.*	*December, 1896.*	*Since July 1, 1896.*
Customs	$10,779,412	$67,821,682	Civil and mis	$5,947,000	$54,965,754
Internal revenue	13,198,998	77,721,741	War	3,960,000	27,574,469
Miscellaneous	1,878,703	11,964,179	Navy	2,504,000	17,450,836
			Indians	988,000	6,197,012
			Pensions	11,450,000	71,957,773
			Interest	357,000	18,657,488
Total	$25,857,114	$157,507,603	Total	$25,206,000	$196,803,335
Excess of expenditures	*$651,114	$39,295,731			

*Excess of receipts.

UNITED STATES TREASURY CASH RESOURCES.

	Sept. 30.	*Oct. 31.*	*Nov. 30.*	*Dec. 31.*
Net gold	$124,124,282	$118,448,021	$130,407,237	$136,746,473
Net silver	16,643,222	14,079,505	17,162,998	18,742,601
U. S. notes	62,632,216	56,817,133	35,809,737	34,505,497
Miscellaneous assets (less current liabilities)	21,216,303	32,542,387	28,797,586	21,474,933
Deposits in National banks	16,443,281	16,110,047	15,828,924	16,085,955
Available cash balance	$241,059,305	$237,492,094	$228,006,484	$227,615,461

UNITED STATES GOVERNMENT RECEIPTS AND EXPENDITURES AND NET GOLD IN THE TREASURY.

MONTH.	*1895.*			*1896.*		
	Receipts.	*Expenditures.*	*Net Gold in Treasury.*	*Receipts.*	*Expenditures.*	*Net Gold in Treasury.*
January	$27,804,400	$34,523,447	$44,705,937	$29,237,670	$32,529,340	$49,845,507
February	22,888,057	25,696,085	87,085,511	26,059,228	26,749,956	123,962,979
March	25,470,576	25,716,957	90,463,307	26,041,149	27,274,994	128,646,461
April	24,247,836	32,990,676	91,247,144	24,282,893	28,987,381	125,393,900
May	25,272,078	28,558,214	99,151,409	24,643,718	28,426,562	108,345,234
June	25,615,474	21,683,029	107,512,362	27,794,219	25,444,789	101,699,605
July	29,089,698	38,548,064	107,236,487	29,029,209	42,088,468	110,718,746
August	28,952,696	32,588,185	100,329,837	25,562,097	35,701,676	100,957,561
September	27,549,678	24,320,482	92,911,974	24,584,244	26,579,535	124,084,672
October	27,901,748	34,508,425	92,943,180	26,282,829	33,978,277	117,126,523
November	25,986,506	27,199,283	79,333,966	25,210,696	33,260,720	131,510,352
December	26,288,988	25,814,317	63,262,268	25,857,114	25,206,000	*136,746,473

*This balance as reported in the Treasury sheet on the last day of the month.

NATIONAL BANK CIRCULATION.—There was a slight increase in amount of National bank currency outstanding, but a decrease of $1,000,000 in the amount of Government bonds deposited to secure circulation, and of $759,000 in circulation based upon Government bonds. The lawful money on deposit to retire circulation was reduced $1,023,000 in December, making a reduction in twelve months of

$3,285,000. There was a net increase in bank notes outstanding during the past year of $21,948,560.

NATIONAL BANK CIRCULATION.

	Sept. 30, 1896.	*Oct. 31, 1896.*	*Nov. 30, 1896.*	*Dec. 31, 1896.*
Total amount outstanding	$238,542,030	$234,897,657	$235,312,103	$235,576,381
Circulation based on U. S. bonds	214,667,694	216,510,014	216,609,684	215,850,307
Circulation secured by lawful money	18,884,336	18,387,643	18,702,419	19,726,074
U. S. bonds to secure circulation:				
Four per cents. of 1895	35,804,550	36,531,650	36,910,050	37,981,550
Pacific RR. bonds, 6 per cent	9,949,000	10,386,000	10,391,000	9,521,000
Funded loan of 1891, 2 per cent	22,574,850	22,673,850	22,623,850	22,592,850
" " 1907, 4 per cent	154,515,950	155,473,000	155,590,900	154,626,400
Five per cents. of 1894	15,928,850	16,038,850	15,816,350	15,514,350
Total	$238,773,200	$241,103,350	$241,272,150	$240,236,150

The National banks have also on deposit the following bonds to secure public deposits: 4 per cents. of 1895, $1,850,000; Pacific Railroad 6 per cents., $375,000; 2 per cents of 1891, $1,033,000; 4 per cents of 1907, $12,135,000; 5 per cents. of 1894, $535,000, a total of $15,928,000. The circulation of National gold banks, not included in the above statement, is $86,737.

COIN AND BULLION QUOTATIONS.—Following are the ruling quotations in New York for foreign and domestic coin and bullion:

FOREIGN AND DOMESTIC COIN AND BULLION—QUOTATIONS IN NEW YORK.

	Bid.	*Asked.*		*Bid.*	*Asked.*
Trade dollars	$ 60	.....	Twenty marks	$4.75	$4.80
Mexican dollars	50¾	$ 51¼	Spanish doubloons	15.50	15.70
Peruvian soles, Chilian pesos	46½	48	Spanish 25 pesos	4.79	4.83
English silver	4.86	4.87½	Mexican doubloons	15.55	15.75
Victoria sovereigns	4.87	4.89	Mexican 20 pesos	19.50	19.60
Five francs	94	97	Ten guilders	3.95	3.99
Twenty francs	3.86	3.91			

Fine gold bars on the first of this month were at par to ¼ per cent. premium on the Mint value. Bar silver in London, 29 1/16d. per ounce. New York market for large commercial silver bars, 64⅞ @ 65¼c. Fine silver (Government assay), 65 @ 65¾c.

NEW YORK CITY BANKS.—In five weeks from November 28 to January 2 the clearing-house banks of this city gained in deposits more than $40,000,000. In the

NEW YORK CITY BANKS—CONDITION AT CLOSE OF EACH WEEK.

	Loans.	*Specie.*	*Legal tenders.*	*Deposits.*	*Surplus Reserve.*	*Circulation.*	*Clearings.*
Dec. 5	$472,441,800	$75,676,900	$82,299,000	$502,043,000	$32,464,400	$19,997,700	$681,863,000
" 12	483,503,500	76,648,100	84,109,500	516,905,000	31,606,300	19,841,300	576,340,300
" 19	487,016,000	77,251,600	86,920,600	523,589,900	33,274,700	19,797,100	633,405,200
" 26	487,673,300	76,768,000	89,001,200	525,837,200	34,309,900	19,760,000	489,251,300
Jan. 2	491,375,900	76,342,300	89,640,900	530,785,000	33,286,950	19,600,100	525,331,466

DEPOSITS AND SURPLUS RESERVE ON OR ABOUT THE FIRST OF EACH MONTH.

MONTH.	1895.		1896.		1897.	
	Deposits.	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*	*Deposits.*	*Surplus Reserve.*
January	$549,291,400	$35,208,850	$501,089,300	$15,989,675	$530,785,000	$33,286,950
February	546,965,200	36,751,500	490,447,200	39,623,400		
March	528,440,800	28,054,500	489,612,200	24,442,150		
April	504,240,200	13,413,450	481,795,700	17,005,975		
May	526,998,100	27,233,575	495,004,100	22,944,275		
June	566,229,400	41,221,250	498,874,100	22,230,675		
July	570,436,300	34,225,925	499,046,900	20,328,275		
August	574,304,500	40,917,175	485,014,000	17,728,600		
September	574,929,900	39,149,925	451,934,800	8,836,200		
October	549,136,500	22,206,175	454,733,100	16,536,025		
November	529,982,400	17,594,400	446,445,900	17,462,225		
December	520,788,000	18,613,300	490,634,300	31,411,625		

Deposits reached the highest amount, $505,104,900 on November 3, 1894, and the surplus reserve $111,628,000 on February 3, 1894.

previous three weeks, as mentioned in our December number, they gained $52,000,000. In two months, since the presidental election, therefore, $92,000,000 of deposits have gone into the New York banks. On the other hand nearly $50.000,000 have been added to the loans of these institutions during that time. Here is some evidence of improvement in the condition of trade and finance which may be further expanded in the new year. Compared with a year ago the banks have $39,000,000 more deposits, $26,000,000 more loans, $25,000,000 more reserve and $13,000,000 more surplus.

BOSTON AND PHILADELPHIA BANKS.—The changes in the condition of the clearing-house banks of Boston and Philadelphia are shown in the following table:

BOSTON BANKS.

Dates.	Loans.	Deposits.	Specie.	Legal Tenders.	Circulation.	Clearings.
December 5..	$162,463,000	$153,898,000	$9,676,000	$7,273,000	$9,979,000	$114,879,700
" 12..	163,877,000	154,859,000	9,843,000	7,972,000	10,061,000	96,179,800
" 19..	165,093,000	155,650,000	10,444,000	8,261,000	10,076,000	94,810,700
" 26..	164,850,000	151,681,000	10,402,000	8,572,000	9,963,000	74,963,300
January 2..	166,322,000	155,302,000	10,710,000	8,165,000	9,896,000	95,372,400

PHILADELPHIA BANKS.

Dates.	Loans.	Deposits.	Lawful Money Reserve.	Circulation.	Clearings.
December 5.....	$100,891,000	$100,364,000	$30,292,000	$6,885,000	$68,671,800
" 12.....	100,590,000	100,850,000	30,936,000	6,999,000	56,623,500
" 19.....	100,558,000	101,547,000	31,479,000	6,985,000	63,093,500
" 26.....	100,409,000	99,426,000	29,670,000	7,040,000	51,353,200
January 2.....	100,333,000	102,444,000	31,596,000	7,176,000	52,575,200

MONEY IN THE UNITED STATES TREASURY.—There was an increase in the total amount of cash in the Treasury in December of $20,000,000, but the Government issued $16,000,000 of certificates and Treasury notes making the gain in net cash of $4,000,000. The net gold in the Treasury increased more than $5,500,000. There is $175,000,000 of gold coin and bullion in the Treasury against which there are only about $38,000,000 of gold certificates outstanding.

MONEY IN THE UNITED STATES TREASURY.

	Jan. 1, 1896.	Nov. 1, 1896.	Dec. 1, 1896.	Jan. 1, 1897.
Gold coin	$83,378,392	$107,706,505	$117,557,275	$120,638,598
Gold bullion	29,820,315	47,617,328	51,969,827	54,565,385
Silver Dollars	364,063,702	381,361,339	382,972,296	384,584,572
Silver bullion	124,612,532	113,064,557	112,137,954	110,815,247
Subsidiary silver	12,764,321	14,632,846	14,570,200	14,215,766
United States notes	115,825,143	89,730,690	71,975,533	85,313,258
National bank notes	7,063,137	12,981,868	13,063,471	14,278,970
Total	$737,547,542	$767,095,133	$764,246,556	$784,411,796
Certificates and Treasury notes, 1890, outstanding	533,344,856	512,999,195	512,946,771	529,044,460
Net cash in Treasury	$204,202,686	$254,095,938	$251,299,785	$255,367,336

MONEY IN CIRCULATION.—The amount of money in circulation increased last month $3,778,654 and the circulation per capita increased from $22.86 to $22.87. There was an increase in gold of about $1,000,000, an increase of $4,023,000 in Treasury notes of 1890, a decrease of $13,337,000 in United States notes, an increase of $11,860,000 in currency certificates, and a decrease of $951,000 in National Bank notes. The following statement shows the amounts of the various kinds of money

in circulation on the dates named, the estimated population and the per capita circulation.

MONEY IN CIRCULATION IN THE UNITED STATES.

	Jan. 1, 1896.	*Nov. 1, 1896.*	*Dec. 1, 1896.*	*Jan. 1, 1897.*
Gold coin	$484,728,547	$516,340,979	$516,729,882	$517,743,229
Silver dollars	59,205,927	58,190,802	58,493,845	58,581,819
Subsidiary silver	64,417,685	61,171,736	61,233,346	62,101,986
Gold certificates	49,996,439	38,197,309	38,016,749	37,887,459
Silver certificates	336,076,648	357,777,122	356,312,121	356,655,800
Treasury notes, Act July 14, 1890	115,726,769	83,959,764	80,147,901	84,171,221
United States notes	290,855,873	256,950,326	274,705,483	261,367,758
Currency certificates, Act June 8, 1872	31,605,000	32,465,000	38,470,000	50,330,000
National bank notes	206,653,836	222,002,576	222,335,419	221,384,148
Total	$1,579,208,724	$1,627,055,614	$1,646,444,746	$1,650,223,400
Population of United States	70,630,000	71,902,000	72,030,000	72,159,000
Circulation per capita	$22.36	$22.63	$22.86	$22.87

THE SUPPLY OF MONEY IN THE COUNTRY.—The total amount of money in the country exclusive of certificates and Treasury notes increased nearly $8,000,000 last month. The increase is almost entirely in gold, which shows a gain of $6,700,000. There was a gain in silver dollars of $1,700,000, and a decrease in silver bullion of $1,300,000, an increase of $500,000 in fractional silver, and of about $300,000 in National bank notes. The following statement shows the amount of each kind of money in the country on the dates mentioned:

TOTAL SUPPLY OF MONEY IN THE UNITED STATES.

	Jan. 1, 1896.	*Nov. 1, 1896.*	*Dec. 1, 1896.*	*Jan. 1, 1897.*
Gold coin	$568,106,939	$624,047,484	$634,287,157	$638,381,827
Gold bullion	29,820,315	47,617,328	51,969,827	54,565,385
Silver dollars	423,289,629	439,552,141	441,466,141	443,166,361
Silver bullion	124,612,532	113,064,557	112,137,954	110,815,247
Subsidiary silver	77,182,006	75,804,582	75,803,546	76,317,752
United States notes	346,681,016	346,681,016	346,681,016	346,681,016
National bank notes	213,716,973	234,984,444	235,398,890	235,663,118
Total	$1,783,409,410	$1,881,751,552	$1,897,744,531	$1,905,590,736

Certificates and Treasury notes represented by coin, bullion, or currency in Treasury are not included in the above statement.

FOREIGN TRADE MOVEMENTS.—The exports of merchandise continue to be exceptionally large, the total in November being $109,000,000, the largest since 1891, and only about $1,000,000 less than in November that year. The imports continue to be abnormally low, only about $50,000,000. The imports are $13,000,000 less than in the same month last year, while the exports were nearly $32,000,000 greater.

EXPORTS AND IMPORTS OF UNITED STATES.

MONTH OF NOVEMBER.	MERCHANDISE.			*Gold Balance.*	*Silver Balance.*
	Exports.	*Imports.*	*Balance.*		
1891	$110,103,537	$64,890,507	Exp., $45,213,030	Imp., $8,489,768	Exp., $2,411,194
1892	97,703,824	67,699,040	" 30,044,784	" 1,438,565	" 1,179,008
1893	91,659,698	49,263,363	" 42,396,335	" 4,139,832	" 3,247,190
1894	79,954,005	50,567,482	" 29,386,523	" 1,507,388	" 2,881,728
1895	87,312,581	63,344,817	" 23,967,764	Exp., 13,468,188	" 4,384,536
1896	109,091,937	50,038,052	" 59,053,885	Imp., 6,924,148	" 3,197,712
ELEVEN MONTHS.					
1891	850,573,750	758,872,920	Exp., 91,700,830	Exp., 39,880,821	Exp., 8,745,758
1892	850,874,842	775,804,599	" 75,070,243	" 47,741,921	" 11,363,914
1893	782,557,052	726,324,057	" 56,232,995	" 5,105,131	" 23,700,254
1894	740,225,402	614,177,510	" 126,047,892	" 71,787,924	" 34,316,519
1895	732,331,019	739,468,300	Imp., 7,137,281	" 57,895,388	" 38,271,008
1896	888,680,369	622,593,660	Exp., 266,086,709	Imp., 43,860,498	" 44,895,015

The excess of exports over imports was $59,000,000 for the month, and $266,000,000 for the eleven months ended November 30. The largest net balance for the same period in recent years was $126,000,000 in 1894. The gold movement has become small, the net imports being less than $7,000,000 in November, but the eleven months show a net import of nearly $44,000,000, the first year since 1890 that we gained gold from abroad. The preceding table shows the movements of merchandise, gold and silver for the month and eleven months ended November 30 for the past six years:

GOLD MOVEMENT FOR FOUR YEARS.

	1893–1894.	*1894–1895.*	*1895–1896.*	*1896–1897.*
July	Imp., $5,776,401	Exp., $12,823,572	Exp., $3,296,067	Exp., $9,007,788
August	" 40,622,520	" 1,935,303	" 15,123,175	Imp. 2,086,997
September	" 5,242,088	Imp., 418,118	" 16,674,009	" 34,096,080
October	" 1,072,919	" 519,851	" 76,857	" 27,617,915
November	" 4,139,832	" 1,507,388	" 13,468,188	" 6,924,148
December	Exp., 1,908,300	Exp., 9,424,439	" 14,170,899	
January	" 573,700	" 24,698,489	" 198,586	
February	" 1,068,335	Imp., 4,067,008	Imp., 9,375,389	
March	" 2,929,241	" 4,120,290	" 293,653	
April	" 9,402,110	" 2,029,761	Exp., 2,662,498	
May	" 23,124,058	" 3,271,195	" 18,499,415	
June	" 22,376,872	" 1,963,750	" 6,077,397	
Year	Exp., $4,528,942	Exp., $30,984,449	Exp., $80,588,649	

UNITED STATES PUBLIC DEBT.—The public debt statement for December shows a decrease in the net debt, less cash in the Treasury, of $2,800,000. There was only a slight increase in the total debt, exclusive of certificates and Treasury notes, but the aggregate debt increased $13,000,000. The aggregate assets increased nearly $17,500,000 and the demand liabilities $15,000,000. The net cash balance increased about $3,000,000. Compared with a year ago the net debt has increased $44,600,000, or nearly one-half of the increase in the bonded debt.

UNITED STATES PUBLIC DEBT.

	Jan. 1, 1896.	*Nov. 1, 1896.*	*Dec. 1, 1896.*	*Jan. 1, 1897.*
Interest bearing debt:				
Funded loan of 1891, 2 per cent	$25,364,500	$25,364,500	$25,364,500	$25,364,500
" " 1907, 4 "	559,631,750	559,638,300	559,638,450	559,638,900
Refunding certificates, 4 per cent	50,310	46,260	46,170	45,890
Loan of 1904, 5 per cent	100,000,000	100,000,000	100,000,000	100,000,000
" 1925, 4 "	62,315,400	162,315,400	162,315,400	162,315,400
Total interest-bearing debt	$747,361,960	$847,364,460	$847,364,520	$847,364,690
Debt on which interest has ceased	1,674,510	1,607,010	1,591,620	1,383,070
Debt bearing no interest:				
Legal tender and old demand notes	346,735,363	346,735,363	346,735,363	346,735,363
National bank note redemption acct	22,659,734	18,474,380	18,544,249	18,876,333
Fractional currency	6,893,394	6,890,504	6,890,504	6,890,504
Total non-interest bearing debt	$376,288,992	$372,100,247	$372,170,117	$372,502,201
Total interest and non-interest debt	1,125,325,462	1,221,071,717	1,221,126,257	1,221,249,961
Certificates and notes offset by cash in the treasury:				
Gold certificates	50,099,889	39,588,139	39,433,139	39,279,789
Silver "	345,702,504	366,463,504	367,903,504	370,883,504
Certificates of deposit	34,450,000	35,060,000	38,510,000	50,830,000
Treasury notes of 1890	137,771,280	123,229,280	121,677,280	119,816,280
Total certificates and notes	$568,023,673	$564,340,923	$567,523,923	$580,809,573
Aggregate debt	1,693,349,135	1,785,412,640	1,788,650,180	1,802,059,534
Cash in the Treasury:				
Total cash assets	787,578,447	836,676,221	835,961,579	853,468,551
Demand liabilities	609,551,247	603,103,460	610,604,481	625,143,172
Balance	$178,027,200	$233,572,761	$225,357,098	$228,320,379
Gold reserve	63,262,268	100,000,000	100,000,000	100,000,000
Net cash balance	114,764,932	133,572,761	125,357,098	128,320,379
Total	$178,027,200	$233,572,761	$225,357,098	$228,320,379
Total debt, less cash in the Treasury	947,298,262	987,498,956	995,769,159	992,929,582

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.

The following table shows the highest, lowest and closing prices of the most active stocks at the New York Stock Exchange in the month of December, and the highest and lowest during the year 1896, by dates, and also, for comparison, the range of prices in 1895:

	YEAR 1895.		HIGHEST AND LOWEST IN 1896.				DECEMBER, 1896.		
	High.	*Low.*	*Highest.*		*Lowest.*		*High.*	*Low.*	*Closing.*
Atchison, Topeka & Santa Fe.	23⅜	3¼	18 —Nov. 4		8¼—Aug. 7		14⅞	12¼	14
" preferred	36⅛	16	28½—Feb. 24		14⅛—Aug. 7		29¾	20⅝	23½
Atlantic & Pacific	2	½	1 —Nov. 4		⅝—Jan. 7		¾	⅝	¾
Baltimore & Ohio	66¾	32½	44 —Jan. 27		10¼—Sept. 2		16½	12½	16½
Buffalo, Rochester & Pitts.	24	19	25 —May 16		15 —Feb. 11		21	20⅛	21
Canadian Pacific	62½	33	63¾—May 27		52 —Jan. 4		56¼	54	54
Canada Southern	57½	42	51¾—Feb. 10		40¾—Aug. 7		50	45½	46
Central of New Jersey	116½	81½	110 —Nov. 4		87½—Aug. 10		105¼	98¾	100
Central Pacific	21⅝	12	16⅛—Nov. 27		13⅛—Aug. 22		15	15	15
Ches. & Ohio vtg. ctfs.	23⅜	12½	18⅛—Nov. 10		11 —Aug. 8		17¼	15	15
Chicago & Alton	160	147	164 —Nov. 9		146 —Aug. 11		164	161	164
Chicago, Burl. & Quincy	92⅝	69	83¾—Nov. 10		53 —Aug. 7		79½	68½	69½
Chicago & E. Illinois	57	43¼	43 —Feb. 13		37½—Aug. 10		....	....	....
" preferred	106	90	100¼—Mar. 5		90 —Aug. 11		....	....	....
Chicago Gas	78¼	49⅞	78¾—Nov. 7		44⅜—Aug. 8		77¼	70	78⅝
Chic., Milwaukee & St. Paul.	78⅞	53⅞	80 —Nov. 4		59⅞—Aug. 10		75⅞	70	73½
" preferred	130	114¾	131 —Dec. 4		117⅛—Aug. 7		131	130	131
Chicago & Northwestern	107¼	87⅜	106¾—Apr. 23		85⅛—Aug. 10		106⅜	100¼	102
" preferred	151	137	152 —Dec. 31		140¾—Aug. 28		152	152	152
Chicago, Rock I. & Pacific	84⅜	59	74⅞—Feb. 24		49¼—Aug. 7		70¼	64	65¾
Chic., St. Paul, Minn. & Om.	46	28¾	49¾—Dec. 4		30⅛—Aug. 8		49¾	44¾	46¾
" preferred	123¼	104	133 —Dec. 14		117 —Jan. 7		133	129	133
Clev., Cin., Chic. & St. Louis.	50	28	39⅛—Feb. 10		19⅛—Aug. 8		30⅛	25	26⅛
" preferred	97	83¾	90½—Feb. 20		73 —Aug. 7		84	74	74
Col. Coal & Iron Devel. Co.	11⅛	3	4⅛—Jan. 16		¼—July 18		1	1	1
Col. Fuel & Iron Co.	41½	20⅛	34½—Feb. 24		14⅝—Aug. 7		25¾	22	24
Columbus & Hock. Val. Coal.	9½	2	6 —Dec. 12		⅝ · July 9		6	3¾	4¼
Col. Hocking Val. & Tol.	27⅞	14⅜	20⅛—Nov. 10		12⅛—Aug. 10		19¾	16½	17
" preferred	69¾	55	60 —July 22		48 —Dec. 18		52¾	48	52¾
Consolidated Gas Co.	161½	126	168 —Nov. 24		133 —Aug. 10		164½	136¾	138¾
Delaware & Hud. Canal Co.	134⅞	118	129⅝—Feb. 11		114⅛—Aug. 10		128¼	115¼	116
Delaware, Lack. & Western.	174	154	166 —June 5		138 —Aug. 10		160¼	155	158
Denver & Rio Grande	17¾	10	14 —Feb. 4		10 —Aug. 25		12½	12⅛	12⅛
" preferred	55¼	32¾	51 —Feb. 24		37 —Aug. 7		44	42	42
Edison Elec. Illum. Co., N. Y.	102¾	94	101½—Dec. 8		89 —Jan. 2		101½	100⅛	100⅞
Erie	.....	.....	17¾—Nov. 9		10¼—Aug. 7		15⅝	14	15
" 1st pref	.....	.....	41¾—Mar. 17		27 —July 29		36	33⅜	33⅜
" 2d pref	.....	.....	25 —Mar. 16		13 —Aug. 6		20¼	20	20
Evansville & Terre Haute.	51	28	34½—Feb. 24		24 —Aug. 15		29	28	28
Express Adams	153	140	154 —Nov. 9		135 —Aug. 25		154	148	154
" American	119½	109	116 —May 25		105 —Aug. 18		113¾	109	109
" United States	50	36	48 —Apr. 24		35 —Aug. 25		45	40	45
" Wells, Fargo	115	95	101 —Feb. 15		80 —Aug. 14		100	96⅛	99½
Great Northern, preferred	134	100	122 —Nov. 24		108¼—Mar. 13		122	122	122
Illinois Central	106	81⅛	98 —Jan. 31		84⅛—Aug. 11		93½	92	92¾
Iowa Central	11½	5⅜	10¼—Feb. 8		5⅛—Aug. 13		8¼	7¼	7¼
" preferred	38	19	38 —Apr. 23		19 —Aug. 7		29	25	25
Laclede Gas	33½	14⅛	30 —Apr. 27		17 —July 20		25⅛	21⅛	24⅛
Lake Erie & Western	28	15¼	23½—Feb. 5		12⅛—Aug. 10		18¾	16⅜	16⅜
" preferred	85	61	75 —Feb. 7		55½—Aug. 8		72	69	69
Lake Shore	153½	134½	158 —Dec. 8		134¾—Jan. 7		156	152	154
Long Island	88¾	83	84 —Jan. 7		40½—Dec. 31		54	40½	43
Long Island Traction	22	5	22 —Feb. 19		16 —Jan. 10		....	....	....
Louisville & Nashville	66⅛	39	55⅝—Feb. 24		37⅛—Aug. 26		51	45½	48
Louis., N. A. & Chic., Tr. ctfs.	10¾	6	10½—Feb. 18		¼—Nov. 25		¼	¼	¼
" preferred	20⅞	15½	24¾—Feb. 13		1 —Nov. 25		1¾	1⅜	1¼
Manhattan consol	119⅞	95	113½—Feb. 11		73¼—Aug. 13		97½	85½	89¼
Michigan Central	103	91¼	97⅞—Feb. 11		80 —Aug. 28		92½	90½	90½
Minneapolis & St. Louis	20¾	14	21¾—Feb. 21		12 —Aug. 21		19½	18	18½
" 1st pref	88	73	83 —Feb. 21		54 —Aug. 8		78	75½	78
" 2d pref	62	30½	53½—Apr. 22		30 —Aug. 10		49	47¼	47½
Mobile & Ohio	27	13½	25 —Jan. 11		14 —Aug. 10		23	20½	22
Missouri, Kan. & Tex.	19	9¼	14¾—Nov. 10		9¼—Aug. 6		13⅞	12⅝	13¼
" preferred	41	18¼	31⅜—Feb. 25		16 —July 20		20⅞	24	28¾

ACTIVE STOCKS, COMPARATIVE PRICES AND QUOTATIONS.—*Continued.*

	Year 1895.		Highest and Lowest in 1896.				December, 1896.		
	High.	*Low.*	*Highest.*		*Lowest.*		*High.*	*Low.*	*Closing.*
Missouri Pacific	42¼	18⅝	29¾	—Apr. 24	15	—Aug. 7	22⅞	18	20
Nash., Chat. & St. Louis	81½	64	70	—Oct. 2	70	—Oct. 2	....	....	....
N. Y. Cent. & Hudson River	104⅝	90	99¾	—Feb. 25	88	—Aug. 6	95¾	92¼	93⅞
N. Y. Chicago & St. Louis	18¼	10	15	—Jan. 22	9	—Aug. 11	12¾	11½	11½
" 1st preferred	75	65	80	—Jan. 22	67½	—July 28	71	71	71
" 2d preferred	34¼	20	33⅝	—Apr. 13	20	—Aug. 10	29	28	29
N. Y., Lake Erie & Western	15⅝	7½	17¼	—Feb. 20	13½	—Jan. 7	....	....	....
" preferred	30	16	29	—Feb. 20	25	—Jan. 22	....	....	....
N. Y. & New England	65¼	29	51¼	—Jan. 28	35	—July 21	....	....	....
N. Y., New Haven & Hartf'd.	218	174	186	—Feb. 10	160	—July 23	181	176½	178
N. Y., Ontario & Western	19¼	11¾	16⅝	—Nov. 10	11½	—Aug. 10	16	13⅞	14¼
N. Y., Sus. & Western	14¾	6⅞	12	—Nov. 9	6	—Aug. 11	10	9½	9⅝
" preferred	43½	19⅞	31¼	—Feb. 6	12	—Aug. 8	27	23	23½
Norfolk & Western	6½	1¼	12¾	—Nov. 10	⅛	—Apr. 29	11½	11⅛	11⅛
" preferred	19⅝	8	19¾	—Nov. 10	4½	—May 8	17⅛	15⅞	15¾
North American Co.	7	2¾	6½	—Feb. 24	3½	—Aug. 7	5¼	4¾	4¾
Northern Pacific tr. receipts.	8½	2½	10⅞	—Nov. 9	¼	—May 23	15⅛	13¼	14¼
" pref tr. receipts	27	10⅝	36	—Nov. 14	10	—Apr. 16	32¾	25¼	32⅝
Ohio & Mississippi	....	....	....		....		....	....	....
Ohio Southern	19½	4	....		....		....	....	....
Oregon Improvement	14¾	3	4¼	—Jan. 4	¼	—June 12	1	¾	¾
Oregon Railway & Nav	32	17	24	—Nov. 2	10	—Feb. 18	14	14	14
Oregon Short Line	11¾	3½	18⅛	—Nov. 10	3½	—Apr. 14	14⅛	14	14⅛
Pacific Mail	34½	20	31	—Feb. 10	15¼	—Aug. 7	26½	22½	24⅛
Peoria, Dec. & Evansville	7¾	2	3⅞	—Feb. 10	1¾	—June 23	....	....	....
Phila. & Reading	28⅝	4⅝	31¾	—Nov. 10	2⅝	—Jan. 7	29⅞	25⅛	26⅞
Pitts., Cin. Chic. & St. Louis	22¼	12	18¼	—Feb. 7	11	—Aug. 7	15	12	12
" preferred	60½	43¼	59	—Feb. 27	40⅛	—Aug. 12	53¾	53¼	53¼
Pitts. & Western, preferred	34¼	18	20⅝	—Jan. 31	17	—Jan. 15	....	....	....
Pullman Palace Car Co	178¾	146	164	—Feb. 11	138	—Aug. 7	157½	150	151¾
Rio Grande Western	19⅞	15	18¼	—Feb. 10	16	—Feb. 8	....	....	....
" preferred	46¼	30	46¼	—Feb. 10	39	—Jan. 27	....	....	....
Rome, Wat. Ogdens' g	120	112¾	118	—Dec. 29	108	—Sept. 15	118	117	118
St. Louis, Alton & T. H	68	35½	60½	—Jan. 3	53	—Aug. 14	....	....	....
St. Louis & Southwestern	9¼	4⅛	5¾	—Feb. 7	2⅞	—Aug. 10	4¾	3½	3¾
" preferred	19⅞	8	13	—Feb. 26	6¼	—Aug. 7	10⅝	9	9
St. Paul & Duluth	35½	18	27½	—Feb. 24	15	—Sept. 16	19¼	18¾	18¾
" preferred	95	86	91	—Feb. 10	75	—Dec. 8	75	75	75
St. Paul, Minn. & Manitoba	116¾	104	115	—Jan. 11	105	—Aug. 11	113	113	113
Southern Pacific Co	26⅜	16¾	22¼	—Jan. 14	14	—Nov. 6	17¼	14½	14⅝
Southern Railway	14⅞	7	11¾	—Nov. 10	6½	—Aug. 7	10⅝	8¾	9¼
" preferred	44⅛	22	33¼	—Feb. 25	15½	—Aug. 8	31⅜	23¼	26
Tennessee Coal & Iron Co	46⅝	13¼	34¾	—Feb. 10	13	—July 20	20¾	24	25½
Texas & Pacific	14⅜	6⅞	12	—Nov. 10	5	—Aug. 7	10⅛	8	9
Toledo, A., A. & N. M	4¾	1⅛	....		....		....	....	....
Union Pacific trust receipts	17⅛	4	12½	—Nov. 4	3⅞	—Jan. 25	11½	8	9
Union Pac., Denver & Gulf	8⅝	2¼	5½	—Feb. 13	1⅛	—July 29	2⅞	2½	2½
Wabash R. R	10¼	5	8	—Nov. 9	4⅛	—Aug. 7	7⅜	5⅞	6¼
" preferred	26¼	12⅝	19¾	—Feb. 24	11	—Aug. 7	17	13⅞	15¼
Western Union	95⅝	82½	90¼	—Nov. 11	72¾	—Aug. 10	87⅛	80⅞	83¼
Wheeling & Lake Erie	18¼	6⅞	13¼	—Feb. 14	5½	—Aug. 27	8⅝	6	6⅛
" preferred	54⅞	29	40¾	—Feb. 13	20⅝	—Aug. 8	30½	27½	29⅝
Wisconsin Central	7¾	2¼	4⅝	—Feb. 24	1⅝	—Aug. 21	2¼	2	2¼
"Industrial" Stocks:									
American Co. Oil Co	30½	14	19	—Jan. 27	8	—July 20	13	9	11
" preferred	79⅞	59	68⅞	—Feb. 14	37	—Aug. 10	54½	50	54
American Sugar Ref. Co	121⅜	86½	126⅜	—Apr. 21	95	—Aug. 10	117⅝	108	110¾
" preferred	107	90¼	104	—May 27	92¼	—Aug. 8	104	100½	101
American Tobacco Co	117	63	95	—Apr. 2	51	—Aug. 10	80½	73¾	78¾
" preferred	116	90	106	- Nov. 6	95	—Aug. 4	103	101	103
Dis. & Cattle Feed Co	25½	7⅞	20¾	—Apr. 23	9¼	—Aug. 7	....	....	....
General Electric Co	41	20	39½	—Mar. 13	20	—July 16	33⅞	29	32¼
National Lead Co	38	17⅛	28⅝	—Apr. 21	16	—Aug. 10	25⅝	22	23
" preferred	94¾	73	92¾	—Nov. 19	75	—Aug. 27	89	86	87
National Linseed Oil Co	31⅝	15	21¼	—June 23	11¼	—Dec. 17	15¼	11¾	13
National Starch Manfg. Co	12	5	7¾	—Nov. 13	4½	—Jan. 14	....	....	....
U. S. Cordage Co	9	⅞	7⅜	—Nov. 13	3¼	—Aug. 31	6⅜	5½	5½
" preferred	17	1¼	14⅜	—Nov. 13	6½	—Aug. 31	12¼	10½	10½
U. S. Leather Co	24¾	7	11⅞	—Feb. 8	5½	—July 16	9⅝	8	9
" preferred	97¾	58	60½	—Feb. 14	41¾	—Aug. 10	62¾	57⅞	60⅝
U. S. Rubber Co	48	21	29	—Jan. 13	14¼	—Aug. 8	26¾	23	24⅝
" preferred	98¼	75	89	—Jan. 15	65	—Oct. 12	82¼	76	76

RAILWAY, INDUSTRIAL AND GOVERNMENT BONDS.

LAST SALE, PRICE AND DATE AND HIGHEST AND LOWEST PRICES AND TOTAL SALES FOR THE MONTH.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	DECEMBER SALES. *High.*	*Low.*	*Total.*
Ala. Midland 1st gold 6s.....1928	2,800,000	M & N	92	Apr. 13,'95	....	....	.....
Ann Arbor 1st g 4's.....1995	7,000,000	Q J	73¾	Dec. 30,'96	74⅛	73	81,000
Atch., Top. & S. F.							
Atch Top & Santa Fe gen g 4's.1995	96,288,000	A & O	79¼	Dec. 31,'96	79⅝	77¾	1,555,000
" adjustment, g. 4's.....1995	51,728,000	NOV	43	Dec. 31,'96	43¼	40½	3,040,000
" Equip. tr. ser. A. g. 5's1902	1,500,000	J & J	.....		....	....	.....
Chicago & St. Louis 1st 6's.....1915	1,500,000	M & S	.....		....	....	.....
Colorado Mid.Tr.Co.cfs 1stg.6's.1936	2,636,000	J & D	77½	July 29,'95	....	....	.....
" assented.....	3,714,000	.....	69¾	Dec. 4,'96	69¾	69½	13,000
" Tr.Co.cfscons.g.4'sst'dgtd1940	3,054,000	F & A	21	June 6,'96	....	....	.....
" assented.....	1,842,000	.....	17	Dec. 29,'96	20¼	17	22,000
Atlan. av. of Brook'n imp. g. 5's, 1934	1,500,000	J & J	82½	Feb. 8,'96	....	....	.....
Atlanta & Danville 1st g. 5's.....1950	1,238,000	J & J	.....		....	....	.....
Atlan. & Pac. gtd. 1st g. 4's.....1937	18,790,000	J & J	39	Dec. 29,'96	39	39	2,000
" 2d W. d. g. g. s. f. 6's...1907	5,500,000	M & S	92	July 23,'90	....	....	.....
" Western div. inc.....1910	10,500,000	A & O	1	Dec. 31,'96	1¼	¾	221,000
" div. small.....1910		A & O	10	Mar. 17,'93	....	....	.....
" Central div. inc.....1922	1,811,000	J & D	4⅛	Aug. 5,'95	....	....	.....
B. & O. 1st 6's (Parkersburg br.). 1919	3,000,000	A & O	108	Nov. 20,'96	....	....	.....
" 5's, gold.....1885-1925	4,956,000	F&A	90	Dec. 21,'96	90	90	16,000
" registered.....		F&A	87	May 11,'96	....	....	.....
" eng. ctfs of deposit.....	5,044,000	.....	.....		....	....	.....
B. & O. con. mtge. gold 5's.....1988	11,988,000	F&A	108	July 2,'96	....	....	.....
" registered.....		F&A	107½	Mar. 7,'94	....	....	.....
Balti. Belt. 1st g. 5's int. gtd.. 1990	6,000,000	M & N	92	Nov. 24,'96	....	....	.....
W. Virginia & Pitts. 1st g. 5's.. 1990	4,000,000	A & O	111	Dec. 12,'95	....	....	.....
B & O. Southwest'n 1st g. 4½'s, 1990	10,687,000	J & J	102	May 29,'96	....	....	.....
" 1st c. g. 4½'s.....1993	10,483,000	J & J	99½	Nov. 12,'96	....	....	.....
" 1st inc. g. 5's "A" 2043	8,651,000	NOV	25	Aug. 18,'94	....	....	.....
" "B".....2043	9,655,000	DEC	11	Feb. 8,'96	....	....	.....
B. & O. Sw. Term Co. gtd g 5's...1942	1,200,000	M & N	.....		....	....	.....
Monongahela River 1st g. g., 5's 1919	700,000	F & A	104½	July 1,'92	....	....	.....
Cen. Ohio. Reorg. 1st c. g. 4½'s, 1930	2,500,000	M & S	97½	Dec. 3,'96	97½	97½	6,000
Ak. & Chic. Junc. 1st g. s. g. 5's. 1930	1,500,000	M & N	102½	Nov. 21,'95	....	....	.....
" coupons off.....	.....	.....	.....		....	....	.....
Broadway & 7th av. 1st con. g. 5's, 1943	7,650,000	J&D	117⅛	Dec. 31,'96	117⅛	116½	38,000
" registered.....		J&D	112½	May 29,'95	....	....	.....
Brooklyn City 1st con. 5's.....1941	4,373,000	J & J	114⅜	Dec. 24,'96	114⅜	114⅜	5,000
Brooklyn Elevated 1st gold 6s's, 1924	3,500,000	A & O	74	Dec. 29,'96	80	74	38,000
" 2d mtg. g. 5's, ...1915	1,250,000	J & J	39	Dec. 16,'96	39	39	4,000
Union Elevated 1st g. g. 6's.....1937	6,148,000	M & N	73	Dec. 29,'96	73¾	71	48,000
Seaside & Bkln Bdge 1st g. g. 5's.1942	1,385,000	J & J	80	Mar. 31,'96	....	....	.....
Brooklyn Rapid Transit g. 5's...1945	4,875,000	A & O	77¾	Dec. 24,'96	79⅜	74	198,000
Brunswick & Western 1s g. 4's....1938	3,000,000	J & J	74	Sept. 1,'96	....	....	.....
Buffalo, Roch. & Pitts. g. g. 5's...1937	4,407,000	M & S	96⅛	Dec. 23,'96	97	96¼	22,000
Rochester & Pittsburg. 1st 6's..1921	1,300,000	F & A	120	Nov. 12,'96	....	....	.....
" cons. 1st 6's, ...1922	3,920,000	J & D	116	Dec. 31,'96	116¼	116	4,000
Clearfield & Mab. 1st g. g. 5's....1943	650,000	J & J	121¼	May 26,'96	....	....	.....
Buffalo & Susquehanna 1st g. 5's, 1913	1,349,000	A & O	100	Feb. 27,'96	....	....	.....
" registered.....		A & O	.....		....	....	.....
Burlington, Cedar R. & N. 1st 5's, 1906	6,500,000	J & D	105	Dec. 24,'96	105¼	104½	28,000
" con. 1st & col. tst 5's...1934	6,425,000	A & O	102¾	Dec. 16,'96	102¾	102¾	2,000
" registered.....		A & O	97	Feb. 9,'96	....	....	.....
Minneap's & St. Louis 1st 7's, g, 1927	150,000	J & D	140	Aug. 24,'95	....	....	.....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	DECEMBER SALES. High.	Low.	Total.
Ced. Rap Ia. Falls & Nor. 1st 6's	1920	825,000	A & O	102	Dec. 21,'96	102	102	4,000
" 1st 5's	1921	1,905,000	A & O	102	July 28,'96	....	....	.....
Canada Southern 1st int. gtd 5's	1908	13,920,000	J & J	110⅞	Dec. 31,'96	110⅞	109½	64,000
" 2d mortg. 5's	1913	5,100,000	M&S	105¼	Dec. 19,'96	105½	104½	29,000
" registered			M&S	103¼	Apr. 7,'96	....	....	.....
Col. & Cin. Midla'd, 1st. Ext. 4½'s	1939	2,000,000	J & J	92½	Aug. 31,'92	....	....	.....
Cent. R. & Bkg. Co. of Ga. c. g. 5's	1937	4,880,000	M & N	95	Dec. 2,'96	95	95	10,000
Chat., Rom. & Colu's gtg. g. 5's	1937	2,000,000	M & S	70	July 25,'93	....	....	.....
Central R'y of Georgia, 1st g. 5's	1945	.....	F & A	.....		....	....	.....
" registered $1,000 & $5,000		7,000,000	F & A	.....		....	....	.....
" con. g. 5's	1945	.....	M & N	90⅜	Dec. 31,'96	91	90	84,000
" con. g. 5's, reg. $1,000 & $5,000		16,500,000	M & N	.....		....	....	.....
Central Railroad of New Jersey,								
" 1st consolidated 7's	1899	3,836,000	Q J	105¾	Nov. 11,'96	....	....	.....
" convertible 7's	1902	1,167,000	M & N	116	June 23,'96	....	....	.....
" deb. 6's	1908	466,000	M & N	114	Apr. 2,'95	....	....	.....
" gen. mtg. 5's	1987	41,604,000	J & J	118	Dec. 30,'96	118¼	118	148,000
" registered			Q J	114½	Dec. 28,'96	116	114½	77,000
Lehigh & W.-B. con. assd. 7's	1900	5,500,000	Q M	104⅜	Dec. 22,'96	104⅜	103¼	17,000
" mortgage 5's	1912	2,887,000	M & N	90	May 15,'96	....	....	.....
Am. Dock & Improvm't Co. 5's	1921	4,987,000	J & J	116½	Dec. 24,'96	116½	116	22,000
N. J. Southern int. gtd 6's	1899	411,000	J & J	104	Nov. 13,'96	....	....	.....
Central Pacific g'd bonds	1897	19,505,000	J & J	102⅝	Dec. 29,'96	103	102½	25,000
"	1898		J & J	103⅞	Dec. 30,'96	103⅞	103	95,000
" San Joaquin br., 6's	1900	6,080,000	A & O	102	Dec. 31,'96	102½	102	8,000
" Mtge. gold gtd. 5's	1939	11,000,000	A & O	84½	Sept. 16,'96	....	....	.....
Central Pacific land grant 5's	1900	2,506,000	A & O	99	Nov. 12,'96	....	....	.....
" ext g 5s series A B C D.	1898	5,598,000	J & J	102⅝	Dec. 10,'96	102⅝	102⅝	1,000
" Cal. & O. div. ex. g. 7's	1918	4,358,000	J & J	107½	Nov. 27,'95	....	....	.....
Western Pacific bonds 6's	1899	2,735,000	J & J	100	Oct. 28,'96	....	....	.....
North. Ry. (Cal.) 1st g. 6's, gtd.	1907	3,964,000	J & J	101	Aug. 5,'95	....	....	.....
" 50 year m. gg. 5's	1938	4,800,000	A & O	92¼	Oct. 17,'96	....	....	.....
Cent. Wash. Tr. Co. cts. 1st g. 6's	1938	1,497,300	.....	54	Apr. 21,'96	....	....	.....
Charleston & Sav. 1st g. 7's	1936	1,500,000	J & J	108¾	Dec. 13,'96	....	....	.....
Ches. & Ohio pur. money fd.	1898	2,287,000	J & J	105¼	Dec. 18,'96	105½	105¼	15,000
" 6's, g., Series A	1908	2,000,000	A & O	118	Dec. 28,'96	119	118	12,000
" Mortgage gold 6's	1911	2,000,000	A & O	118	Dec. 19,'96	118¾	118	23,000
" 1st con. g. 5's	1939	23,553,000	M & N	108	Dec. 31,'96	108	107	239,000
" registered			M & N	107	Dec. 30,'96	107¼	105	170,000
" Gen. m. g. 4½'s	1992	21,799,000	M & S	72¾	Dec. 31,'96	74⅞	71⅛	397,000
" registered			M & S	85	Dec. 30,'93	....	....	.....
" (R. & A. d.) 1st c. g. 4's	1989	6,000,000	J & J	98	Dec. 28,'96	99¾	96½	128,000
" 2d con. g. 4's	1989	1,000,000	J & J	87½	Dec. 18,'96	87½	87	16,000
" Craig Val. 1st g. 5's	1940	650,000	J & J	92½	June 17,'96	....	....	.....
" Warm S. Val. 1st g. 5's	1941	400,000	M & S	98	Dec. 21,'93	....	....	.....
" Elz. Lex. & B. S. g. g. 5's	1902	3,007,000	M & S	99¾	Dec. 29,'96	100	99	16,000
Ches. Ohio & S'thwestern m. 6's	1911	6,176,800	F & A	105⅝	Feb. 15,'95	....	....	.....
" 2d mtge. 6's	1911	2,895,000	F & A	48½	Sept. 10,'95	....	....	.....
Ohio Val. g. con. 1st gtd. g. 5's	1938	1,984,000	J & J	110¼	Aug. 22,'93	....	....	.....
Chicago & Alton s'king fund 6's	1903	1,832,000	J & J	113	Nov. 23,'96	....	....	.....
Louisiana & Mo. Riv. 1st 7's	1900	1,785,000	F & A	109	Nov. 23,'96	....	....	.....
" 2d 7's	1900	300,000	M & N	107½	Oct. 7,'96	....	....	.....
St. Louis, J. & C. 2d gtd 7's	1898	188,000	J & J	104½	Dec. 7,'92	....	....	.....
Miss. Riv. Bdge 1st s. f'd g. 6's	1912	547,000	A & O	105½	Oct. 30,'95	....	....	.....
Chicago, Burl. & North. 1st 5's	1926	8,241,000	A & O	104	Dec. 30,'96	104	104	1,000
Chicago, Burl. & Quincy con. 7's	1903	28,924,000	J & J	118⅜	Dec. 31,'96	118⅜	117½	107,000
" 5's, sinking fund	1901	2,315,000	A & O	103	Dec. 19,'96	103	103	1,000
" 5's, debentures	1913	9,000,000	M & N	97⅜	Dec. 30,'96	98	96	25,000
" convertible 5's	1903	15,393,900	M & S	100½	Dec. 31,'96	101¼	100	38,000
" (Iowa div.) sink. f'd 5's	1919	2,811,000	A & O	101½	Sept. 21,'96	....	....	.....
" 4's	1919	7,571,000	A & O	97	Dec. 30,'96	98	96	5,000
" Denver div. 4's	1922	6,141,000	F & A	94	Dec. 28,'96	94	93½	5,000
" 4's	1921	3,300,000	M & S	88¼	Nov. 6,'93	....	....	.....
" Chic. & Iowa div. 5's	1905	2,320,000	F & A	107½	Jan. 18,'96	....	....	.....
" Nebraska extensi'n 4's	1927	26,730,000	M & N	87¾	Dec. 28,'96	89	87¾	44,000
" registered			M & N	90¾	July 10,'95	....	....	.....
" Han. & St. Jos. con. 6's	1911	8,000,000	M & S	118	Dec. 21,'96	118	118	4,000
Chicago & E. Ill. 1st s. f'd c'y. 6's	1907	2,989,000	J & D	112	Dec. 31,'96	112½	112	3,000
" small bonds			J & D	112	Apr. 2,'96	....	....	.....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME.	Principal Due.	Amount.	Int's paid.	LAST SALE. Price.	Date.	DECEMBER SALES. High.	Low.	Total.
Chic. & E. Ill. 1st con. 6's, gold	1934	2,653,000	A & O	123½	Dec. 28,'96	123½	122	7,00
" gen. con. 1st 5's	1937	7,487,000	M & N	100	Dec. 30,'96	102	99	117,000
" registered			M & N	104¼	Nov. 25,'96	....	....	.....
Chicago & Ind. Coal 1st 5's	1936	4,626,000	J & J	99⅞	Dec. 8,'96	99⅞	99⅞	1,000
Chicago, Milwaukee & St. Paul.								
Mil. & St. Paul 1st m, 8's P. D.	1898	3,674,000	F & A	105	Nov. 23,'96	....	....	.....
" 2d 7 3-10 P. D.	1898	1,106,000	F & A	128½	Dec. 18,'96	128½	128¼	1,000
" 1st 7's $ gold, R. div.	1902	3,796,500	J J&J	125½	Nov. 4,'96	....	....	.....
" 1st 7's £	1902		J J&J	120	Feb. 8,'94	....	....	.....
" 1st m. Iowa & M. 7's	1897	1,736,000	J & J	128¼	Dec. 24,'96	128¼	128¼	10,000
" 1st m. Iowa & D. 7's	1899	434,000	J & J	127½	Dec. 2,'96	127½	127½	.....
" 1st m. C. & M. 7's	1903	2,393,000	J & J	125	Oct. 22,'96	....	....	.....
Chicago Mil. & St. Paul con. 7's	1905	11,298,000	J & J	132	Dec. 24,'96	132	130	5,000
" 1st 7's, Iowa & D. ex.	1908	3,505,000	J & J	133	Dec. 24,'96	133	130⅜	16,000
" 1st 6's, Southw'n div.	1909	4,000,000	J & J	117	Dec. 24,'96	117⅛	116½	6,000
" 1st 5's, La. C. & Dav.	1919	2,500,000	J & J	110¼	Dec. 21,'96	110¼	110	10,000
" 1st So. Min. div. 6's	1910	7,432,000	J & J	118½	Dec. 31,'96	118½	117¼	4,000
" 1st H'st & Dk. div. 7's	1910	5,680,000	J & J	127¾	Dec. 12,'96	127¾	127¾	5,000
" 5's	1910	990,000	J & J	108	Dec. 21,'96	108	108	1,000
" Chic. & Pac. div. 6's	1910	3,000,000	J & J	118¼	Dec. 11,'96	118¼	118¼	3,000
" 1st Chic. & P. W. 5's	1921	25,340,000	J & J	114¾	Dec. 31,'96	114¾	113¾	133,000
" Chic. & M. R. div. 5's	1926	3,083,000	J & J	109	Dec. 31,'96	109	108	85,000
" Mineral Point div. 5's	1910	2,840,000	J & J	104½	Oct. 21,'96	....	....	.....
" Chic. & Lake Sup. 5's	1921	1,360,000	J & J	106½	July 16,'96	....	....	.....
" Wis. & Min. div. 5's	1921	4,755,000	J & J	112	Dec. 30,'96	112¼	110⅞	26,000
" terminal 5's	1914	4,748,000	J & J	112	Dec. 28,'96	112½	112	10,000
" Far. & So. 6's assu	1924	1,250,000	J & J	118	Sept.20,'94	....	....	.....
" mtg. con. sl'k. f'd 5's	1916	1,680,000	J & J	96	Jan. 7,'96	....	....	.....
" Dakota & Gt. S. 5's	1918	2,856,000	J & J	109	Dec. 30,'96	109	109	5,000
" g. m. g. 4's, series A	1989	19,010,000	J & J	97½	Dec. 31,'96	97½	96¼	192,000
" registered		.....	Q J	94½	Dec. 11,'95	....	....	.....
" Mil. & N. 1st M. L. 6's	1910	2,155,000	J & D	115¼	Oct. 8,'96	....	....	.....
" 1st convt. 6's	1913	5,092,000	J & D	116	Dec. 11,'96	116	116	1,000
Chic. & North Pacific 1st g. 5's	1940	25,523,000	A & O	42	May 12,'96	....	....	.....
" U. S. Trust Co. eng. ctfs.		.....		40	Dec. 31,'96	44	40	71,000
Chic. & Northwestern cons. 7's	1915	12,771,000	Q F	140	Dec. 28,'96	140	139	45,000
" coupon gold 7's	1902	12,336,000	J & D	116	Dec. 28,'96	116	115¼	26,000
" registered d. gold 7's	1902		J & D	116	Dec. 31,'96	116	114¾	14,000
" sinking fund 6's	1879-1929	6,011,000	A & O	114	Dec. 18,'96	114	111¾	15,000
" registered	1879-1929		A & O	113	Dec. 23,'96	113	113	11,000
" 5's	1879-1929	7,301,000	A & O	109	Dec. 2,'96	109	109	1,000
" registered			A & O	105¾	Oct. 6,'96	....	....	.....
" debenture 5's	1933	9,800,000	M & N	111	Dec. 31,'96	111	109¼	22,000
" registered			M & N	107½	Dec. 16,'96	107¼	107	5,000
" 25 year deben. 5's	1909	6,000,000	M & N	105	Oct. 26,'96	....	....	.....
" registered			M & N	104	May 15,'96	....	....	.....
" 30 year deben. 5's	1921	9,800,000	A & O	105½	Dec. 9,'96	106	105½	20,000
" registered			A & O	107	Nov. 20,'95	....	....	.....
" extension 4's	1886-1926	18,632,000	F A 15	101¼	Dec. 9,'96	101¼	101	8,000
" registered			F A 15	100	Nov. 10,'96	....	....	.....
Escanaba & L. Superior 1st 6's	1901	720,000	J & J	107½	Nov. 28,'96	....	....	.....
Des Moines & Minn. 1st 7's	1907	600,000	F & A	127	Apr. 8,'34	....	....	.....
Iowa Midland 1st mortg. 8's	1900	1,350,000	A & O	116	July 9,'96	....	....	.....
Chic. & Milwaukee 1st mtg. 7's	1898	1,700,000	J & J	107½	Dec. 19,'96	107½	107½	10,000
Winona & St. Peters 2d 7's	1907	1,592,000	M & N	127	Apr. 17,'96	....	....	.....
Milwaukee & Madison 1st 6's	1905	1,600,000	M & S	108	Jan. 7,'96	....	....	.....
Ottumwa C. F. & St. P. 1st 5's	1909	1,600,000	M & S	108	Nov. 20,'96	....	....	.....
Northern Illinois 1st 5's	1910	1,500,000	M & S	107	Nov. 28,'96	....	....	.....
Mil., Lake Shore & We'n 1st 6's	1921	5,000,000	M & N	131	Dec. 30,'96	131	130	13,000
" con. deb. 5's	1907	436,000	F & A	104	May 13,'96	....	....	.....
" ext. & impt. s.f'd g. 5's	1929	4,148,000	F & A	112	Dec. 21,'96	112	112	5,000
" Michigan div. 1st 6's	1924	1,281,000	J & J	127	Dec. 8,'96	127	127	2,000
" Ashland div. 1st 6's	1925	1,000,000	M & S	128	Dec. 16,'96	128	128	10,000
" income		500,000	M & N	105	July 28,'96	....	....	.....
Chic., Rock Is. & Pac. 6's coup.	1917	12,100,000	J & J	131	Dec. 28,'96	131¼	130	7,000
" 6's registered	1917		J & J	130	Dec. 10,'96	130	130	1,000
" exten. and collat. 5's	1934	40,391,000	J & J	104⅝	Dec. 31,'96	104⅝	103⅛	211,000
" registered			J & J	103½	Dec. 12,'96	103½	101	65,000
" debenture 5's	1921	4,500,000	M & S	94	Dec. 18,'96	96	92	10,000
" registered		.....	M & S	.....	.....	....	....	.....
Des Moines & Ft. Dodge 1st 4's	1905	1,200,000	J & J	88¼	June 12,'96	....	....	.....
" 1st 2½'s	1905	1,200,000	J & J	65	Nov 18,'96	....	....	.....
" extension 4 s		672,000	J & J	84	Oct. 14,'95	....	....	.....
Keokuk & Des M. 1st mor. 5's	1923	2,750,000	A & O	100	Nov. 25,'96	....	....	.....
" small bond	1923	.....	A & O	103	Apr. 26,'96	....	....	.....

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NAME.	Principal Due.	Amount.	Int'st Paid	LAST SALE. Price.	Date.	DECEMBER SALES. High.	Low	Total.
Chic., St.P., Minn.& Oma.con. 6's	1930	13,413,000	J & D	128	Dec. 31,'96	127½	126⅝	26,000
Chic., St. Paul & Minn. 1st 6's	1918	3,000,000	M & N	126	Dec. 15,'96	128	126	5,000
North Wisconsin 1st mort. 6's	1930	800,000	J & J	125	May 4,'88	....	....	.....
St. Paul & Sioux City 1st 6's	1919	6,070,000	A & O	128	Dec. 10,'96	128	127½	3,000
Chic. & Wn. Ind. 1st s'k. f'd g. 6's	1919	1,234,000	M & N	106¼	May 15,'95	....	....	.....
" gen'l mortg. g. 6's	1932	9,652,666	Q M	117¼	Dec. 18,'96	117¼	116	10,000
Chic. & West Michigan R'y 5's	1921	5,753,000	J & D	98½	Mar. 13,'93	....	....	.....
" coupons off		.....	.....	.....		....	....	.....
Cin., Ham. & Day. con. s'k. f'd 7's	1905	996,000	A & O	120	July 15,'96	....	....	.....
" 2d g. 4½'s	1937	2,000,000	J & J	104	Nov. 10,'96	....	....	.....
Cin., Day. & Ir'n 1st gtd. g. 5's	1941	3,500,000	M & N	108	Dec. 22,'96	108	107½	5,000
City Sub. R'y, Balto. 1st g. 5's	1922	2,430,000	J & D	105⅜	Apr. 17,'95	....	....	.....
Clev., Ak'n & Col. eq. and 2d g. 6's	1930	730,000	F & A	.....		....	....	.....
Clev. & Can. Tr. Co. ctfs. 1st 5's for.	1917	2,000,000	.....	75	Dec. 24,'96	75	75	5,000
Clev., Cin., Chic. & St. L. gen. m. 4's	1993	5,000,000	J & D	86	May 25,'95	....	....	.....
" do Cairo div. 1st g. 4's	1939	5,000,000	J & J	93	Oct. 2,'95	....	....	.....
St. Louis div. 1st col. trust g. 4's	1990	9,750,000	M & N	92½	Dec. 21,'96	93	92	7,000
" registered				90	June 10,'96	....	....	.....
Sp'gfield & Col. div. 1st g. 4's	1940	1,035,000	M & S	87	Oct. 22,'95	....	....	.....
White W. Val. div. 1st g. 4's	1940	650,000	J & J	83	Dec. 16,'95	....	....	.....
Cin., Wab. & Mich. div. 1st g. 4's	1991	4,000,000	J & J	91	Nov. 6,'96	....	....	.....
Cin., Ind., St. L. & Chic. 1st g. 4's	1936	7,790,000	Q F	97	Dec. 11,'96	97	97	1,000
" registered				95	Nov. 15,'94	....	....	.....
" con. 6's	1920	738,000	M & N	104	Mar. 29,'93	....	....	.....
Cin., S'dusky & Clev. con. 1st g. 5's	1928	2,571,000	J & J	105	Sept. 28,'96	....	....	.....
Ind. Bloom. & W., 1st pfd. 7's	1900	1,000,000	J & J	109	June 9,'96	....	....	.....
Ohio, Ind. & W., 1st pfd. 5's	1938	500,000	Q J	.....		....	....	.....
Peoria & Eastern 1st con. 4's	1940	8,103,000	A & O	75	Dec. 21,'96	76	72¾	25,000
" income 4's	1990	4,000,000	A	18	Nov. 23,'96	....	....	.....
Clev., C., C. & Ind. 1st 7's s'k. f'd.	1899	3,000,000	M & N	106½	Dec. 18,'96	106½	105½	5,000
" consol mortg. 7's	1914	3,991,000	J & D	132	Sept. 16,'96	....	....	.....
" sink. fund 7's	1914		J & D	119⅜	Nov. 19,'89	....	....	.....
" gen. consol 6's	1934	3,205,000	J & J	124	Nov. 11,'96	....	....	.....
" registered			J & J	.....		....	....	.....
Cin., Sp. 1st m. C., C. & Ind. 7's.	1901	1,000,000	A & O	105	Aug. 18,'96	....	....	.....
Clev., Lorain & Wheel'g con. 1st 5's	1933	4,300,000	A & O	103	Dec. 31,'96	103	102	13,000
Clev., & Mahoning Val. gold 5's	1938	2,936,000	J & J	120½	July 21,'96	....	....	.....
" registered			Q J	.....		....	....	.....
Col'bus & Ninth Av. 1st gtd g. 5's	1993	3,000,000	M&S	117	Dec. 29,'96	117	116¼	29,000
" registered			M&S	.....		....	....	.....
Col., Hock. Val. & Tol. con. g. 5's	1931	8,000,000	M & S	88	Dec. 31,'96	88	86	40,000
" gen. mort. g. 6's	1904	2,000,000	J & D	84½	Dec. 18,'96	86⅝	84½	41,000
" gen. lien g. 4's	1996	852,000	J & J	.....		....	....	.....
" registered, $5,000			J & J	.....		....	....	.....
Conn., Passumpsic Riv's 1st g. 4's	1943	1,900,000	A & O	102	Dec. 27,'93	....	....	.....
Delaware, Lack. & W. mtge 7's	1907	3,067,000	M & S	128	Dec. 23,'96	128	128	1,000
Syracuse, Bing. & N. Y. 1st 7's	1906	1,966,000	A & O	130	Jan. 4,'95	....	....	.....
Morris & Essex 1st m 7's	1914	5,000,000	M & N	139½	Dec. 1,'96	139½	139½	3,000
" bonds, 7's	1900	281,000	J & J	112	Dec. 4'96	112	112	5,000
" 7's	1871–1901	4,991,000	A & O	134	Sept. 3,'96	....	....	.....
" 1st c. gtd 7's	1915	12,151,000	J & D	137	Dec. 19,'96	138	137	10,000
" registered			J & D	136	June 4,'93	....	....	.....
N. Y., Lack. & West'n. 1st 6's	1921	12,000,000	J & J	134	Dec. 17,'96	134	133	1,000
" const. 5's	1923	5,000,000	F & A	114	Nov. 30,'96	....	....	.....
Warren 2d 7's	1900	750,000	A & O	113¼	Nov. 6,'95	....	....	.....
Delaware & Hudson Canal.								
" 1st Penn. Div. c. 7's	1917	5,000,000	M & S	143½	Dec. 23,'96	143½	141¾	5,000
" reg	1917		M & S	137	Oct. 7,'96	....	....	.....
Albany & Susq. 1st c. g. 7's	1906	3,000,000	A & O	117	Aug. 18,'96	....	....	.....
" registered			A & O	128½	Feb. 12,'94	....	....	.....
" 6's	1906	7,000,000	A & O	112¾	Oct. 16,'96	....	....	.....
" registered			A & O	115	July 29,'96	....	....	.....
Rens. & Saratoga 1st c. 7's	1921	2,000,000	M & N	146	Dec. 28,'96	146	144	5,000
" 1st r 7's	1921		M & N	146	Dec. 9,'96	146	146	5,000
Denver City Cable Ry. 1st g. 6's	1908	3,397,000	J & J	97½	Feb. 24,'93	....	....	.....
Denver Con. T'way Co. 1st g. 5's	1933	730,000	A & O	.....		....	....	.....
Denver Tramway Co. con. g. 6's	1910	1,219,000	J & J	.....		....	....	.....
Denver Met. Ry. Co. 1st g. g. 6's	1911	913,000	J & J	.....		....	....	.....
Denver & Rio G. 1st con. g. 4's	1936	28,465,000	J & J	90¾	Dec. 31,'96	90¾	90	55,000
" 1st mortg. g. 7's	1900	6,382,500	M & N	110	Dec. 15,'96	111¾	110	25,000
" impt. m. g. 5's	1928	8,103,500	J & D	85	Dec. 3,'96	85	85	3,000

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Detroit, Mac. &Ma. 1d gt. 3½ S A..	1911	3,030,000	A & O	18	Dec. 7,'96	18	18	6,000
Detroit & Mack. 1st lien g. 4s.....	1995	900,000	J & D	67	Mar. 24,'95	....	....	.....
" g. 4s.....	1995	1,250,000	J & D	.....		....	....	.....
Duluth & Iron Range 1st 5's.....	1937	6,332,000	A & O	100	Dec. 23,'96	100	100	3,000
" registered.....			A & O	101½	July 23,'89	....	....	.....
" 2d 1 m 6s.....	1916	1,000,000	J & J	.....		....	....	.....
Duluth, Red Wing & S'n 1st g. 5's.	1928	500,000	J & J	.....		....	....	.....
Duluth So. Shore & At. gold 5's..	1937	4,000,000	J & J	102½	Dec. 31,'96	102½	100	5,000
Erie, 1st mortgage ex. 7's.....	1897	2,482,000	M & S	102½	Dec. 28,'96	102½	102¼	1,000
" 2d extended 5's.....	1919	2,149,000	M & N	116	Dec. 10,'96	116	115	3,000
" 3d extended 4½'s.....	1923	4,618,000	M & S	109	Dec. 4,'96	110½	109	2,000
" 4th extended 5's.....	1920	2,926,000	A & O	114½	Dec. 4,'96	114½	114½	1,000
" 5th extended 4's.....	1928	709,500	J & D	104¼	May 27,'96	....	....	.....
" 1st cons gold 7's.....	1920	16,890,000	M & S	139	Dec. 30,'96	139	138	15,000
" 1st cons. fund c. 7's....	1920	3,705,977	M & S	142	Nov. 8,'94	....	....	.....
Long Dock consol. 6's.....	1953	7,500,000	A & O	135	Dec. 31,'96	135	132½	22,000
Buffalo, N. Y. & Erie 1st 7's.....	1916	2,380,000	J & D	132	Dec. 2,'96	135	132	5,000
Buffalo & Southwestern m 6's..	1908	1,500,000	J&J	.....		....	....	.....
" small.....			J&J	.....		....	....	.....
Jefferson R. R. 1st gtd g 5's....	1909	2,800,000	A & O	104	Dec. 21,'96	104	104	3,000
Chicago & Erie 1st gold 5's.....	1982	12,000,000	M & N	110	Dec. 30,'96	111½	110	126,000
N. Y. L. E. & W. Coal & R. R. Co. 1st g currency 6's.....	1922	1,100,000	M&N	.....		....	....	.....
N. Y., L. E. & W. Dock & Imp. Co. 1st currency 6's.....	1913	3,396,000	J&J	102	Aug. 31,'96	....	....	.....
Erie R.R. 1st con. g-4s prior bds..	1996	30,000,000	J&J	95¾	Dec. 31,'96	96½	92	273,000
" " registered.....			J&J	.....		....	....	.....
" " gen. lien 3-4s	1996	30,927,000	J&J	65	Dec. 30,'96	65½	63½	319,000
" " registered.....			J&J	.....		....	....	.....
Eureka Springs R'y 1st 6's, g.....	1933	500,000	F & A	98	Nov. 12,'96	....	....	.....
Evans. & Terre Haute 1st con. 6's.	1921	3,000,000	J & J	108¼	Dec. 28,'96	108¼	108¼	1,000
" 1st General g 5's.....	1942	2,096,000	A & O	95	Sept. 14,'94	....	....	.....
" Mount Vernon 1st 6's...	1923	375,000	A & O	110	May 10,'93	....	....	.....
" Sul. Co. Bch. 1st g 5's..	1930	450,000	A & O	95	Sep. 15, '91	....	....	.....
Evans. & Ind'p. 1st con. g g 6's....	1926	1,591,000	J & J	90	Dec. 11,'95	....	....	.....
Flint & Pere Marquette m 6's....	1920	3,999,000	A & O	113	Dec. 31,'96	115	113	12,000
" 1st con. gold 5's.....	1939	2,100,000	M & N	84	Dec. 30,'96	84	83½	3,000
" Port Huron d 1st g 5's..	1939	3,083,000	A & O	75	Nov. 30,'96	....	....	.....
Florida Cen. & Penins. 1st g 5's...	1918	3,000,000	J & J	108	Aug. 14,'96	....	....	.....
" 1st land grant ex. g 5's..	1930	423,000	J & J	.....		....	....	.....
" 1st con. g 5's.....	1943	4,370,000	J & J	80½	May 14, '96	....	....	.....
Ft. Smith U'n Dep. Co. 1st g 4½'s.	1941	1,000,000	J & J	.....		....	....	.....
Ft. Worth & D. C. ctfs. dep. 1st 6's..	1921	8,176,000	.....	64½	Nov. 30,'96	....	....	.....
Ft. Worth & Rio Grande 1st g 5's.	1928	2,888,000	J & J	50	Sept. 12,'96	....	....	.....
Gal., Harrisburgh & S. A. 1st 6's.	1910	4,756,000	F & A	105	Apr. 6,'96	....	....	.....
" 2d mortgage 7's.....	1905	1,000,000	J & D	95	Dec. 12,'96	95	95	2,000
" Mex. & Pac. div. 1st 5's,	1931	13,418,000	M & N	89¾	Dec. 30,'96	91½	89½	129,000
Ga. Car. & N. Ry. 1st gtd. g. 5's..	1927	5,360,000	J & J	76½	Nov. 20,'96	....	....	.....
Housatonic R. con. m. g. 5's.....	1937	2,838,000	M & N	124	Oct. 1,'96	....	....	.....
New Haven & Derby con. 5's....	1918	575,000	M & N	115½	Oct. 15, '94	....	....	.....
Houston & Texas Central R. R.								
" 1st Waco & N. 7's.....	1903	1,140,000	J & J	125	June 29,'92	....	....	.....
" 1st g. 5's (int. gtd).....	1937	7,381,000	J & J	108⅞	Dec. 30,'96	109	108	5,000
" Con. g. 6's (int. gtd).....	1912	3,455,000	A & O	100½	Dec. 3,'96	100½	100⅛	1,000
" Gen. g. 4's (int. gtd.)	1921	4,297,000	A & O	66¼	Dec. 4,'96	66⅝	66	22,000
" Deben. 6's p. & int. gtd,	1897	705,000	A & O	94	Dec. 6, '95	....	....	.....
" Deben. 4's p. & int. gtd,	1897	411,000	A & O	88	Mar. 28,'96	....	....	.....
Illinois Central 1st g. 4's.....	1951	1,500,000	J&J	110	Aug. 17,'96	....	....	.....
" registered.....			J&J	102½	Dec. 30,'95	....	....	.....
" gold 3½'s.....	1951	2,490,000	J&J	104	June 4,'96	....	....	.....
" registered.....			J&J	97	Dec. 17,'95	....	....	.....
" gold 4's.....	1952	15,000,000	A & O	103	Nov. 17,'96	....	....	.....
" gold 4's regist'd.....			A & O	100	Dec. 23,'96	100	100	3,000

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" gold 4's.....1953	24,679,000	M & N	99¾	Dec. 30,'96	100	99¼	7,000
" gold 4's registered.....		M & N	.....		....	....	.....
" 2-10 g. 4's.....1904	4,806,000	J & J	99	June 10,'96	....	....	.....
" 2-10 g. 4's registered.....		J & J	.....		....	....	.....
" 1st g 8s sterl. £500,000..1951	2,500,000	M & S	92½	July 13,'96	....	....	.....
" registered.....		M & S	.....		....	....	.....
" West'n Line 1st g. 4's, 1951	3,550,000	F & A	102	Dec. 17,'96	103½	102	5,000
" registered.....		F & A	.....		....	....	.....
" Cairo Bridge 4's g.....1950	3,000,000	J & D	101½	Sept. 10,'95	....	....	.....
" registered.....			.....		....	....	.....
Springfield div. coupon 6's.....1898	1,600,000	J & J	100½	Aug. 17,'96	....	....	.....
Middle div. registered 5's.....1921	600,000	F & A	116½	Aug. 16,'95	....	....	.....
Chic., St. L. & N. O. T. lien 7's..1897	539,000	M & N	102½	Nov. 27,'96	....	....	.....
" 1st consol. 7's.....1897	826,000	M & N	101¾	Nov. 18,'96	....	....	.....
" gold 5's.....1951	16,826,000	J D 15	118¼	Dec. 30,'96	119¾	118¼	6,000
" gold 5's, registered.....		J D 15	115	Oct. 25,'94	....	....	.....
" Memph. div. 1st g. 4's, 1951	3,590,000	J & D	98½	June 16,'95	....	....	.....
" registered.....		J & D	.....		....	....	.....
Bellev. & So. Ill. gtd g. 4½'s..1897	998,000	A & O	100	Dec. 9,'96	100	100	2,000
Cedar Falls & Minn. 1st 7's.....1907	1,334,000	J & J	120	Apr. 26,'95	....	....	.....
Ind., Dec. & Spg. 1st 7's tr. rec. ex bonds.....1906	1,800,000	A & O	28½	Dec. 4,'96	28½	28½	1,000
" stamped.....			.....		....	....	.....
Ind., Dec. & West. 1st g. 5's..... 1935	1,824,000	J & J	101	Dec. 23,'96	101	101	3,000
Indiana, Ill. & Iowa 1st g. 4's....1939	800,000	J & D	84	Dec. 29,'96	84	84	2,000
" 1st ext. g. 5's.....1943	500,000	M & S	94¼	Nov. 21,'95	....	....	.....
Internat. & Gt. N'n 1st. 6's, gold.1919	7,954,000	M & N	117	Dec. 29,'96	117	115½	24,000
" 2d mortgage 4½-5's....1909	6,563,000	M & S	71	Dec. 30,'96	71	70	3,000
" 3d mortgage 4-4's.....1921	2,701,000	M & S	23	Dec. 18,'96	24½	22	30,000
Iowa Central 1st gold 5's.....1938	6,322,000	J & D	96	Dec. 31,'96	97⅛	96	13,000
Kansas C. & M. R. & B. Co. 1st gtd g. 5's.....1929	3,000,000	A & O	.....		....	....	.....
Kings Co. El. series A. 1st g. 5's..1925	3,177,000	J & J	49	Dec. 12,'96	49	45	6,000
Fulton El. 1st m. g. 5's series A..1929	1,979,000	M & S	60	Mar. 30,'96	....	....	.....
Lake Erie & Western 1st g. 5's...1937	7,250,000	J & J	117¼	Dec. 24,'96	117⅝	117	10,000
" 2d mtge. g. 5's.....1941	2,600,000	J & J	102¼	Dec. 28,'96	102¼	102	11,000
Northern Ohio 1st gtd g 5's... 1945	2,500,000	A & O	103⅛	Dec. 23,'96	103⅛	103⅛	5,000
Lake Shore & Mich. Southern.							
Buffalo & Erie new b. 7's.....1898	2,755,000	A & O	103½	Nov. 18,'96	....	....	.....
Detroit, Mon. & Toledo 1st 7's.1906	924,000	F & A	124	Dec. 8,'96	124	124	5,000
Lake Shore division b. 7's.....1899	1,355,000	A & O	104⅞	Nov. 10,'96	....	....	.....
" con. co. 1st 7's.....1900	14,890,000	J&J	114⅜	Dec. 30,'96	114½	113½	26,000
" con. 1st registered....1900		Q J	111¾	Dec. 15,'96	111¾	111	5,000
" con. co. 2d 7's.....1903	24,682,000	J&D	118½	Dec. 29,'96	118¾	117½	7,000
" con. 2d registered....1903		J&D	117	Dec. 5,'96	117	117	2,000
Cin. Sp. 1st gtd L. S. & M. S. 7's.1901	1,000,000	A & O	109	Dec. 21,'96	109	109	1,000
Kal., A. & G. R. 1st gtd g. 5's...1938	840,000	J & J	.....		....	....	.....
Mahoning Coal R. R. 1st 5's....1934	1,500,000	J & J	116	Nov. 30,'96	....	....	.....
Lehigh Val. N. Y. 1st m. g. 4½'s.1940	15,000,000	J & J	102½	Dec. 21,'96	102½	102	3,000
Lehigh Val. Ter. R. 1st gtd g. 5's.1941	10,000,000	A & O	110¼	Dec. 17,'96	110¼	110¼	1,000
" registered.....		A & O	108	Sept. 29,'96	....	....	.....
Lehigh V. Coal Co. 1st gtd g. 5's.1933	10,280,000	J & J	103	July 27,'95	....	....	.....
" registered.....1933		J & J	.....		....	....	.....
Lehigh & N. Y., 1st gtd g. 4's.....1945	2,000,000	M&S	92	Mar. 24,'96	....	....	.....
" registered.....		M&S	.....		....	....	.....
Elm., Cort. & N. 1st g. 1st pfd 6's 1914	750,000	A & O	.....		....	....	.....
" " g. gtd 5's.....1914	1,250,000	A & O	.....		....	....	.....
Lex. Av & Pav. Ferry 1st gtd g 5's.1993	5,000,000	M&S	116½	Dec. 29,'96	117	115¾	135,000
" registered.....		M&S	.....		....	....	.....
Litchfield Car'n & W. 1st g. 5's...1916	400,000	J & J	95	Feb. 25,'93	....	....	.....
Lit. Rock & M., tr. co. ctfs. for 1st g. 5's.....1937	3,145,000	.....	25	Apr. 29,'96	....	....	.....
Long Island R. 1st mtg. 7's.....1898	1,121,000	M & N	104	Dec. 12,'96	104	104	5,000
Long Island 1st cons. 5's.....1931	3,610,000	Q J	119	Dec. 28,'96	120	118½	15,000
Long Island gen. m. 4's.....1938	3,000,000	J & D	75½	Dec. 31,'96	90	75	23,000
" Ferry 1st g. 4½'s.....1922	1,500,000	M & S	89	Nov. 30,'96	....	....	.....
" g. 4's.....1932	325,000	J & D	.....		....	....	.....
" deb. g. 5's.....1934	1,500,000	J & D	.....		....	....	.....
N. Y. & Rock'y Beach 1st g. 5's, 1927	984,000	M & S	98	Dec. 5,'96	98	98	6,000
" 2d m. inc.....1927	1,000,000	S	40	Mar. 23,'96	....	....	.....
N. Y. & Man. Beach 1st 7's.....1897	500,000	J & J	102½	Apr. 15,'96	....	....	.....
N. Y. B'klyn & M. B. 1st c. g. 5's, ..1935	1,226,000	A & O	102	Dec. 30,'96	102½	102	10,000
Brooklyn & Montauk 1st 6's....1911	250,000	M & S	.....		....	....	.....
" 1st 5's.....1911	750,000	M & S	107½	July 16,'96	....	....	.....

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Long Isl. R. R. Nor. Shore Branch 1st Con. gold garn't'd 5's	1932	1,075,000	Q JAN	108¾	June 17,'95	....	....	.....
N. Y. B. Ex. R. 1st g. g'd 5's	1943	200,000	J & J	.....		....	....	.....
Montauk Extens. gtd. g. 5's	1945	300,000	J & J	.....		....	....	.....
Louisv'e Ev. & St. Louis								
" 1st con. Tr Co. ct. gold 5's	1939	3,406,000	J & J	25½	Sept. 11,'96	....	....	.....
" Gen. mtg. g. 4's	1943	2,432,000	M & S	9½	Dec. 5,'96	9¾	9½	5,000
Louisville & Nashville cons. 7's	1898	7,070,000	A & O	105	Dec. 28,'96	105	104½	30,000
" Cecilian branch 7's	1907	600,000	M & S	102	Sept. 3,'96	....	....	.....
" N. O. & Mobile 1st 6's, 1930		5,000,000	J & J	117½	Dec. 14,'96	118	117	6,000
" 2d 6's	1930	1,000,000	J & J	99½	Oct. 21,'96	....	....	.....
" E., Hend. & N. 1st 6's	1919	2,070,000	J & D	112¾	Dec. 18,'96	112½	112½	5,000
" general mort. 6's	1930	10,486,000	J & D	116	Dec. 21,'96	117	114½	10,000
" Pensacola div. 6's	1920	580,000	M & S	106	Dec. 24,'96	106	106	3,000
" St. Louis div. 1st 6's	1921	3,500,000	M & S	118	Aug. 28,'96	....	....	.....
" 2d 3's	1980	3,000,000	M & S	67	May 25,'95	....	....	.....
" Nash. & Dec. 1st 7's	1900	1,900,000	J & J	111¼	Dec. 23,'96	111¼	111¼	2,000
" So. N. Ala. sl'g fd. 6s	1910	1,942,000	A & O	92½	Sept. 30,'96	....	....	.....
" 5% 50 year g. bonds	1937	1,764,000	M & N	95	Dec. 20,'96	97	95	10,000
" Unified gold 4's	1940	14,994,000	J & J	80	Dec. 31,'96	80	78⅞	66,000
" registered	1940		J & J	83	Feb. 27,'93	....	....	.....
" Pen. & At. 1st 6's, g. g.	1921	2,870,000	F & A	94⅞	Oct. 26,'96	....	....	.....
" collateral trust g. 5's	1931	5,129,000	M & N	101	June 1,'96	....	....	.....
" L. & N. & Mob. & Montg 1st. g. 4½s	1945	4,000,000	M & S	104	Nov. 10,'96	....	....	.....
" N. Fla. & S. 1st g. g. 5's	1937	2,096,000	F & A	85	Apr. 22,'96	....	....	.....
South & N. Ala. con. gtd. g. 5's	1936	3,673,000	F & A	93	Dec. 30,'96	93¾	92	5,000
Kentucky Cent. g. 4's	1987	6,742,000	J & J	87	Dec. 23,'96	87	86½	10,000
Lo. & Jefferson Bdg. Co. gtd. g. 4's	1945	3,000,000	M & S	.....		....	....	.....
Louisv'e, New Alb. & Chic. 1s 6's	1910	3,000,000	J & J	109½	Dec. 9,'96	109½	109	3,000
" eng. Tr. Co. ctf. cons. g. 6's	1916	4,421,000	A & O	88	Dec. 9,'96	89	86	8,000
" eng. Tr. Co. ctf. gen. g. 5's	1940	2,600,000	M & N	40	Dec. 9,'96	40	40	3,000
Louisville Railw'y Co. 1st c. g. 5's	1930	4,600,000	J & J	100⅝	Sept. 9,'92	....	....	.....
Manhattan Railway Con. 4's	1990	23,783,000	A & O	95¼	Dec. 23,'96	95¼	94½	92,000
Manitoba Swn. Coloniza'n g. 5's	1934	2,544,000	J & D	.....		....	....	.....
Market St. Cable Railway 1st 6's	1913	3,000,000	J & J	.....		....	....	.....
Memphis & Charlestown 6's, g.	1924	1,000,000	J & J	58	Jan. 7,'95	....	....	.....
Metropolitan Elevated 1st 6's	1908	10,818,000	J & J	119¼	Dec. 28,'96	119¾	118½	28,000
" 2d 6's	1899	4,000,000	M & N	105	Dec. 31,'96	105	104½	18,000
Mexican Central.								
" con. mtge. 4's	1911	58,908,000	J & J	67½	Jan. 31,'96	....	....	.....
" 1st con. inc. 3's	1939	17,072,000	JULY	19	Jan. 30,'96	....	....	.....
" 2d 3's	1939	11,724,000	JULY	9	Jan. 30,'96	....	....	.....
Mexican International 1st g. 4's	1942	14,000,000	M & S	71¼	Dec. 31,'96	72⅝	71	144,000
Mexican Nat. 1st gold 6's	1927	11,532,000	J & D	90	Mar. 6,'95	....	....	.....
" 2d inc. 6's "A"	1917	12,265,000	M & S	42⅝	Nov. 12,'96	....	....	.....
" coup. stamped		.....		.....		....	....	.....
" 2d inc. 6's "B"	1917	12,265,000	A	8	Dec. 31,'96	8	8	20,000
Mexican Northern 1st g. 6's	1910	1,383,000	J & D	.....		....	....	.....
" registered			J & D	.....		....	....	.....
Michigan Cent. 1st con. 7's	1902	8,000,000	M & N	115	Dec. 18,'96	115	114½	14,000
" 1st con. 5's	1902	2,000,000	M & N	108	Dec. 31,'96	108	106	5,000
" 6's	1909	1,500,000	M & S	118	May 23,'96	....	....	.....
" coup. 5's	1931	3,576,000	M & S	111½	July 24,'96	....	....	.....
" reg. 5's	1931		Q M	115	Apr. 29,'96	....	....	.....
" mort. 4's	1940	2,600,000	J & J	105	July 30,'96	....	....	.....
" mtge. 4's reg.			J & J	102	Jan. 20,'96	....	....	.....
Battle C. Sturgis 1st g. g. 6's	1989	476,000	J & D	.....		....	....	.....
Mil. Elec. R. & Light con. 30yr. g. 5's	1926	5,500,000	F & A	.....		....	....	.....
Minneapolis & St. Louis 1st g. 7's	1927	950,000	J & D	140¼	June 3,'96	....	....	.....
" 1st con. g. 5's	1934	5,000,000	M & N	100	Dec. 30,'96	100½	98¾	32,000
" Iowa ext. 1st g. 7's	1909	1,015,000	J & D	121	Oct. 31,'96	....	....	.....
" Southw. ext. 1st g. 7's	1910	636,000	J & D	129	May 16,'96	....	....	.....
" Pacific ext. 1st g. 6's	1921	1,382,000	J & A	121	Dec. 14,'96	121	121	5,000
Minneapolis & Pacific 1st m. 5's	1936	3,208,000	J & J	102	Mar. 26,'87	....	....	.....
" stamped 4's pay. of int. gtd.				.....		....	....	.....

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Minn., S. S. M. & Atlan. 1st g. 4's.1926	8,280,000	J & J	94	Apl. 2,'95	....	....	.....
" stamped pay. of int. gtd.			89¾	June 18,'91	....	....	.....
Minn., S. P. & S. S. M., 1st c. g. 4's.1938	6,710,000	J & J	.....		....	....	.....
" stamped pay. of int. gtd.			.....		....	....	.....
Minn. St. R'y 1st con. g. 5's.....1919	4,050,000	J & J	97	Dec. 18,'95	....	....	.....
Missouri, K. & T. 1st mtge g. 4's.1990	39,774,000	J & D	81¾	Dec. 31,'96	83¼	80¾	265,000
" 2d mtge. g. 4's.....1990	20,000,000	F & A	60½	Dec. 31,'96	60¾	55½	474,000
" 1st ext gold 5's.....1944	998,000	M & N	80	Jan. 30,'96	....	....	.....
" of Texas 1st gtd g. 5's1942	2,685,000	M & S	72½	Dec. 21,'96	72½	72½	10,000
" Kan. C. & P. 1st g. 4's.1990	2,500,000	F & A	62	Oct. 30,'96	....	....	.....
" Dal. & Waco 1st g. g. 5's1940	1,340,000	M & N	70	Dec. 17,'96	70	70	5,000
Booneville Bdg. Co. gtd. 7's... 1906	500,000	M & N	.....		....	....	.....
Mo. Kan. & East'n 1st gtd. g. 5's.1942	4,000,000	A & O	92	Dec. 30,'96	92½	90	15,000
Missouri, Pacific 1st con. g. 6's...1920	14,904,000	M & N	85	Dec. 30,'96	85	85	5,000
" 3d mortgage 7's.....1906	3,828,000	M & N	103	Dec. 15,'96	103	103	3,000
" trusts gold 5's.....1917	14,376,000	M & S	70	Aug. 14,'96	....	....	.....
" registered.....		M & S	.....		....	....	.....
" 1st collateral gold 5's.1920	7,000,000	F & A	45	July 23,'96	....	....	.....
" registered.....		F & A	.....		....	....	.....
Pacific R. of Mo. 1st m. ex. 4's.1938	7,000,000	M & S	100	Dec. 10,'96	100	100	5,000
" 2d extended g. 5's.....1938	2,573,000	F & A	104¼	Dec. 18,'96	104¼	102⅛	7,000
Verdigris V'y Ind. & W. 1st 5's.1926	750,000	M & S	.....		....	....	.....
Leroy & Caney Val. A. L. 1st 5's.1926	520,000	J & J	.....		....	....	.....
St. L. & I'rn. Mount. 1st ex. 5's.1897	4,000,000	F & A	101¼	Dec. 8,'96	101¼	101¼	9,000
St. Louis & I'rn Mount. 2d 7's..1897	6,000,000	M & N	101¾	Dec. 16,'96	101¾	100¾	22,000
" Ark'nsas b'nch ext 5's1895	2,500,000	J & D	100	Oct. 14,'96	....	....	.....
" Cario, Ark. & T. 1st 7's1897	1,450,000	J & D	99¾	Dec. 10,'96	99¾	99½	7,000
" g. con. R.R. & l. gr. 5's1931	18,345,000	A & O	74	Dec. 24,'96	76	74	81,000
" stamped gtd gold 5's..1931	6,945,000	A & O	80	May 5,'96	....	....	.....
Mob. & Birm., prior lien, g. 5's...1945	374,000	J & J	.....		....	....	.....
" small.....	226,000	J & J	.....		....	....	.....
" inc. g. 4's.....1945	700,000	J & J	.....		....	....	.....
" small.....	500,000	.....	.....		....	....	.....
Mobile & Ohio new mort. g. 6's..1927	7,000,000	J & J	117	Dec. 18,'96	117	117	12,000
" 1st entension 6's.....1927	974,000	J & D	112	May 1,'96	....	....	.....
" gen. mortgage 4's.....1938	9,470,500	Q J	67½	Dec. 31,'96	69	67	186,000
St. Louis & Cairo gtd g. 4's.....1931	4,000,000	M & S	86	Dec. 17,'95	....	....	.....
Morgan's La. & Texas 1st g. 6's..1920	1,494,000	J & J	111	July 21,'96	....	....	.....
" 1st 7's.....1918	5,000,000	A & O	128	July 23,'95	....	....	.....
Nashville, Chat. & St. L. 1st 7's...1913	6,300,000	J & J	130	Dec. 23,'96	130	128	53,000
" 2d 6's.....1901	1,000,000	J & J	107¾	Apr. 27,'95	....	....	.....
" 1st cons. g. 5's.....1928	5,094,000	A & O	100	Dec. 29,'96	100	98	78,000
" 1st 6's T. & Pb.....1917	300,000	J & J	.....		....	....	.....
" 1st 6's McM. M.W. & Al.1917	750,000	J & J	108	Mar. 24,'96	....	....	.....
" 1st g.6's Jasper Branch.1923	371,000	J & J	.....		....	....	.....
O. & N. East. prior lien g. 6's..1915	1,320,000	A & O	108½	Aug. 18,'94	....	....	.....
N. Y. Cent. & Hud. R. 1st c. 7's..1903	30,000,000	J & J	121	Dec. 31,'96	121	119	31,000
" 1st registered.....1903		J & J	116¼	Dec. 30,'96	119⅞	116¼	42,000
" debenture 5's.....1904	10,000,000	M & S	105	Dec. 31,'96	106	105	15,000
" debenture 5's reg.....		M & S	105	Dec. 17,'96	105⅞	105	9,000
" reg. deben. 5's....1889-1904	1,000,000	M & S	104	Nov. 6,'96	....	....	.....
" debenture g. 4's..... 1905	15,000,000	J & D	102	Dec. 23,'96	102	102	5,000
" registered.....		J & D	101¼	Dec. 3,'96	101⅝	101¼	7,000
" deb. cert. ext. g. 4's..1905	6,450,000	M & N	101½	Dec. 31,'96	102	100¾	12,000
" registered.....		M & N	100¾	May 12,'96	....	....	.....
Harlem 1st mortgage 7's c.....1900	12,000,000	M & N	110¾	Dec. 9,'96	110¾	110¾	10,000
" 7's registered.....1900		M & N	111¼	Dec. 29,'96	111¼	111¼	5,000
N. Jersey Junc. R. R. g. 1st 4's.1986	1,650,000	F & A	100	Nov. 25,'96	....	....	.....
" reg. certificates.....		F & A	.....		....	....	.....
West Shore 1st guaranteed 4's.....	50,000,000	J & J	107	Dec. 30,'96	107¾	108½	143,000
" registered.....		J & J	104	Dec. 31,'96	106	103¼	146,000
Beech Creek 1st. g. gtd. 4's.....1936	5,000,000	J & J	105¼	Dec. 24,'96	105¼	105¼	12,000
" registered.....		J & J	105¼	June 12,'96	....	....	.....
" 2d gtd. 5's.....1936	500,000	J & J	.....		....	....	.....
" registered.....		J & J	.....		....	....	.....
Clearfield Bit. Coal Corporation, 1st s. f. int. gtd g. 4's ser. A. 1940	770,000	J & J	.....		....	....	.....
" small bonds series B.....	33,100	J & J	.....		....	....	.....
Gouv. & Oswega. 1st gtd g. 5's.1942	300,000	J & D	.....		....	....	.....

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R. W. & Og. con. 1st ext. 5's	1922	9,081,000	A & O	116⅛	Dec. 31,'96	118	116¼	20,000
Nor. & Montreal 1st g. gtd 5's	1916	130,000	A & O	.....		....	....	.....
R. W. & O. Ter. R. 1st g. gtd 5's	1918	375,000	M & N	.....		....	....	.....
Oswego & Rome 2d gtd gold 5's	1915	400,000	F & A	110	Oct. 16,'94	....	....	.....
Utica & Black River gtd g. 4's	1922	1,800,000	J & J	108	Dec. 4,'95	....	....	.....
Mohawk & Malone 1st gtd g. 4's	1991	2,500,000	M & S	100	Mar. 14,'94	....	....	.....
Carthage & Adiron 1st gtd g. 4's	1981	1,100,000	J & D	.....		....	....	.....
N. Y. & Putnam 1st gtd g. 4's	1993	4,000,000	A & O	103	May 22,'96	....	....	.....
N.Y., Chic. & St. Louis 1st g. 4's	1937	19,425,000	A & O	103¾	Sept.25,'96	....	....	.....
" registered			A & O	103¾	Dec. 30,'96	104¼	103¼	138,000
N. Y. & New England 1st 7's	1905	6,000,000	J & J	116	Aug. 7,'96	....	....	.....
" 1st 6's	1905	4,000,000	J & J	112¼	Oct. 23,'96	....	....	.....
N. Y., N. Haven & H. 1st reg. 4's	1903	2,000,000	J & D	106	Dec. 4,'94	....	....	.....
" con. deb. receipts	$1,000	15,007,500	A & O	136¼	Dec. 11,'96	136¼	135	23,000
" small certifs	$100	1,430,000	.....	130½	May 29,'96	....	....	.....
N. Y. & Northern 1st g. 5's	1927	1,200,000	A & O	119	Dec. 16,'96	119	118	10,000
N.Y., Ontario & W'n con. 1st g. 5's	1939	5,600,000	J & D	108½	Dec. 30,'96	108½	107	54,000
" Refunding 1st g. 4's	1992	8,125,000	M & S	89½	Dec. 29,'96	89⅞	88½	142,000
" Registered	$5,000 only.	.....	M & S	88⅜	Aug. 25,'92	....	....	.....
N. Y., Sus. & W. 1st refunded 5's	1937	3,750,000	J & J	103¼	Dec. 31,'96	103¼	100½	35,000
" 2d mortg. 4½'s	1937	636,000	F & A	68	Sept.30,'96	....	....	.....
" gen. mtg. g. 5's	1940	2,300,000	F & A	73¼	Dec. 29,'96	73¼	71	70,000
" term. 1st mtg. g. 5's	1843	2,000,000	M & N	103	Nov. 11,'96	....	....	.....
" registered	$5,000		M & N	.....		....	....	.....
Wilkesb. & East. 1st gtd g. 5's	1942	3,000,000	J & D	89	Dec. 11,'96	89½	89	10,000
Midland R. of N. Jersey 1st 6's	1910	3,500,000	A & O	118	Dec. 30,'96	118	116½	19,000
N.Y., Texas & Mexico g. 1st 4's	1912	1,442,500	A & O	.....		....	....	.....
N.P. 1st m.R.R.&L.G.S.F.g.c.6's	1921	15,306,000	J & J	116½	Dec. 31,'96	116½	115	68,000
" registered			J & J	116	Nov. 27,'96	....	....	7,000
" J.P.M.&Co. eng ctf dep		24,605,000	.....	115¼	Dec. 21,'96	115¼	115¼	5,000
" resistered			.....	.....		....	....	.....
" g.2d l gt s f g 6's Tr.Co.c.ass.		19,000,000	.....	117	Dec. 29,'96	117½	116½	119,000
" g.3d l gt s f g 6's Tr.Co.c.ass.		11,408,000	.....	75	Dec. 23,'96	78	75	103,000
" l'nd gt con g 5's Tr.Co.c.ass.		44,900,000	.....	54¼	Dec. 30,'96	55½	52¼	834,000
" col ts 6's g nts J.P.M.&Co.c.		9,450,000	.....	96	Dec. 30,'96	96	95¼	185,000
Spok.&Pal.eng.cfs. 1st si.f.g.6's	1936	1,766,000	M & N	75	Sept.23,'96	....	....	.....
St. Paul & N. Pacific gen 6's	1923	7,985,000	F & A	124¼	Dec. 31,'96	124¼	124¼	10,000
" registered certificates			Q F	122⅞	May 18,'96	....	....	.....
Helena & Red M'tain 1st g. 6's	1937	400,000	M & S	100	Dec. 30,'91	....	....	.....
Dul.& Man. 1st g. 6's, en Tr. Co. ctfs								
" 10 p c purchase price paid		1,619,000	J & J	82½	Dec. 21,'96	82½	82	5,000
" Dak. dl. 1st s. F'd g. 6's,								
" Tr. Co. ctfs. stamped.		1,418,000	.....	80¾	Dec. 31,'96	81½	80¼	7,000
N. Pacific Term. Co. 1st g. 6's	1933	4,000,000	J & J	107¾	Dec. 29,'96	108½	107	141,000
N.P.&Mon.J.P.M.&Co.cf.1 g.6's	1938	5,256,000	M & S	42	Dec. 30,'96	42¾	42	43,000
Cœur d'Alene 1st gold 6's	1916	300,000	A & O	104	May 5,'92	....	....	.....
" gen. 1st g. 6's	1938	878,000	M & S	102	Jan. 2,'92	....	....	.....
N. P. Ry prior ln reg.&ld.gt.g.4's	1997	73,816,500	Q J	85⅞	Dec. 31,'96	85⅞	84¾	829,000
" registered			Q J	.....		....	....	.....
Norfolk & Southern 1st g. 5's	1941	750,000	M & N	103	Nov. 16,'96	....	....	.....
Norfolk & Western gen. mtg. 6's	1931	7,283,000	M & N	119	Dec. 15,'96	119	119	5,000
" New River 1st 6's	1932	2,000,000	A & O	103½	Oct. 20,'96	....	....	.....
" imp'ment and ext. 6's	1934	5,000,000	F & A	97	Feb. 19,'94	....	....	.....
" coupons off		.....	.....	.....		....	....	.....
" Tr.Co.ctfs adjtmnt mtg 7's	1924	1,488,000	Q M	78	Dec. 21,'96	78	78	5,000
" Tr. Co. ctfs eqpmnt g.5's		4,066,000	.....	82	Apr. 24,'96	....	....	.....
" Tr. Co. ctfs gold 5's	1990	8,875,000	J & J	64	Dec. 17,'96	64	64	5,000
" Tr.Co. ctfs Nos. above 10,000		3,200,000	J & J	64	Dec. 17,'96	64	64	.....
" Tr.Co.ctfs Clinch V.div.g.5's		2,475,000	.....	55	Feb. 7,'96	....	....	.....
" Tr. Co. ctfs Md. & W. div. 1st g. 5's	1941	6,809,500	J & J	67	Dec. 14,'96	67	66	18,000
" Sci'o Val & N.E. 1st g.4's	1989	5,000,000	J & N	81	Dec. 29,'96	83	81	27,000
" C. C. & T. 1st g. t. g g 5's	1922	600,000	J & J	.....		....	....	.....
Ogdb'g & L. Chapl. 1st con. 6's	1920	3,500,000	A & O	94	Apr. 13,'96	....	....	.....

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Ogdensburg & Lake Chapl. inc.	1920	800,000	O	.....		....	....	.....
Ogdensburg & L. Chapl. inc. small		200,000	O	82	Feb. 26,'87	....	....	.....
Ohio & Miss. con. skg. fund 7's	1898	3,435,000	J & J	105	Dec. 23,'96	105	105	2,000
" consolidated 7's	1898	3,066,000	J & J	105	Dec. 21,'96	105	105	5,000
" 2d consolidated 7's	1911	2,952,000	A & O	111	Dec. 18,'96	115	111	11,000
" 1st Springf'd d. 7's	1905	1,984,000	M & N	98	Dec. 15,'96	98	98	1,000
" 1st general 5's	1932	405,000	J & D	98	Apr. 2,'92	....	....	.....
Ohio River Railroad 1st 5's	1936	2,000,000	J & D	101	Dec. 9,'96	101	101	5,000
" gen. mortg. g 6's	1937	2,428,000	A & O	85	Dec. 16,'96	85	85	5,000
Ohio Southern 1st mortg. 6's	1921	3,924,000	J & D	93⅜	Dec. 24,'96	95½	93	135,000
" gen. mortg. g 4's	1921	1,543,000	M & N	17	Dec. 8,'96	18¾	17	63,000
" gen. eng. Trust Co. certs.		1,255,000	.....	17	Dec. 8,'96	18	17	79,000
Omaha & St. Lo. Tr Co. cts. 1st 4's	1937	2,717,000	.....	45	Dec. 30,'96	45	45	.....
Oregon & California 1st g 5's	1927	18,842,000	J & J	71⅛	Sept. 17,'96	....	....	.....
Oregon Improvement Co. 1st 6's	1910	743,000	J & D	87½	Dec. 14,'96	90	86	13,000
" eng. Tr. Co. ctfs. of dep.		3,328,000	.....	86	Dec. 16,'96	88½	85	58,000
" con. mortg. g 5's	1939	2,911,000	A & O	18	Dec. 22,'96	21	17½	1,261,000
" Trust Co. certificates		3,638,000	.....	18¼	Dec. 15,'96	19⅝	17¼	363,000
Oregon Ry. & Nav. 1st s. f. g. 6's	1909	4,900,000	J & J	113⅛	Dec. 31,'96	113¾	112¼	174,000
Oregon R. R. & Nav. Co. con. g 4's	1946	15,174,000	J & D	80	Dec. 31,'96	80½	79⅝	332,000
Paducah, Tenn. & Ala. 1st 5's	1920	.....	.....	.....		....	....	.....
" Issue of 1890		1,815,000	J & J	.....		....	....	.....
" Issue of 1892		617,000	J & J	.....		....	....	.....
Panama s. f. subsidy g 6's	1910	1,846,000	M & N	101½	Dec. 21,'91	....	....	.....
Pennsylvania Railroad Co.								
Penn. Co.'s gtd. 4½'s, 1st	1921	19,467,000	J & J	111	Dec. 29,'96	111¾	111	32,000
" reg	1921		J & J	110	Nov. 17,'96	....	....	.....
Pitts., C. C. & St. Louis con. g 4½'s								
" Series A	1940	10,000,000	A & O	108¾	Dec. 30,'96	109	108½	15,000
" Series B	1942	10,000,000	A & O	108¾	Dec. 21,'96	108¾	108¾	12,000
" Series C	1942	2,000,000	M & N	106	Dec. 31,'96	107	106	10,000
" Series D gtd. 4's	1945	4,863,000	M & N	101	Sept. 19,'96	....	....	.....
Pitts., C. & St. Louis 1st c. 7's	1900	6,863,000	F & A	111	July 14,'96	....	....	.....
" 1st reg. 7's	1900		F & A	.....		....	....	.....
Pitts., Ft. Wayne & C. 1st 7's	1912	2,917,000	J & J	140½	Apr. 23,'96	....	....	.....
" 2d 7's	1912	2,546,000	J & J	135	Nov. 20,'96	....	....	.....
" 3d 7's	1912	2,000,000	A & O	126	Aug. 26,'95	....	....	.....
Chic., St. Louis, & P. 1st c. 5's	1932	1,506,000	A & O	115½	July 9,'96	....	....	.....
" registered		.....	A & O	110	May 3,'92	....	....	.....
Cleve. & Pitts. con. s. fund 7's	1900	1,505,000	M & N	112	Dec. 8,'96	112	111	7,000
" Series A	1942	3,000,000	J & J	113½	Apr. 18,'95	....	....	.....
" 4½ Series B	1942	1,561,000	A & O	.....		....	....	.....
St. Louis, V. & T. H. 1st gtd. 7's	1897	1,899,000	J & J	103¼	Dec. 16,'96	103¼	103¼	5,000
" 2d 7's	1898	1,000,000	M & N	102	Apr. 23,'96	....	....	.....
" 2d gtd. 7's	1898	1,600,000	M & N	100	Nov. 25,'96	....	....	.....
G. R. & Ind. Ex. 1st gtd. g 4½'s	1941	3,255,000	J & J	107	May 18,'96	....	....	.....
Allegh. Valley gen. gtd. g. 4's	1942	5,389,000	M & S	.....		....	....	.....
Newp. & Cin. Bge Co. gtd g. 4's	1945	1,400,000	J & J	.....		....	....	.....
Penn. RR. Co. 1st Rl Est. g 4's	1923	1,675,000	.....	108	June 25,'95	....	....	.....
con. sterling gold 6 per cent	1905	22,702,000	J & D	.....		....	....	.....
con. currency, 6's registered	1905	4,718,000	QM15	.....		....	....	.....
con. gold 5 per cent	1919	4,998,000	M & S	.....		....	....	.....
" registered			Q Mch	.....		....	....	.....
con. gold 4 per cent	1943	3,000,000	M & N	.....		....	....	.....
con. Clev. & Mar. 1st gtd g. 4½'s	1935	1,250,000	M & N	.....		....	....	.....
U'd N. J. RR. & Can Co. g 4's	1944	5,646,000	M & S	112	Dec. 1,'96	112	112	1,000
Del. R. RR. & Bge Co 1st gtd g. 4's	1936	1,300,000	F & A	.....		....	....	.....
Peoria, Dec. & Evansville 1st 6's	1920	1,287,000	J & J	101½	Dec. 17,'96	101¾	101	10,000
" Evansville div. 1st 6's	1920	1,470,000	M & S	101	Dec. 10,'96	101	101	1,000
" Tr. Co. ctfs. 2d mort 5's	1926	1,778,000	M & N	26½	Dec. 1,'96	28¼	26½	2,000
Peoria & Pekin Union 1st 6's	1921	1,500,000	Q F	109½	June 6,'94	....	....	.....
" 2d m 4½'s	1921	1,499,000	M & N	75	Dec. 15,'96	75	75	2,000

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Phil. & Read. gen. g 4's Tr. Co. ctf's. assented	46,121,000	.....	81⅞	Dec. 31,'96	82	79½	1,973,000
" registered	.....	.....	79¾	Nov. 18,'96	....	....	.....
" 1st pref. inc. Tr. Co. certfs. all instal. pd	23,663,000	.....	45½	Dec. 31,'96	48⅜	43½	856,000
" 2d pref. inc. Tr. Co. certfs. all instal. pd	15,810,000	.....	34¾	Dec. 31,'96	37½	31¼	590,000
" 3d pref. inc.....1958			13¼	Feb. 7,'96	....	....	.....
" 3d pr. in. con.....1958	21,634,462	F	4¼	Oct. 24,'96	....	....	.....
" Tr. Co. ctfs all instal. pd...			32¾	Dec. 31,'96	35⅝	31½	478,000
Pine Creek Railway 6's.....1932	3,500,000	J & D	123½	Oct. 26,'93	....	....	.....
Pittsburg, Clev. & Toledo 1st 6's.1922	2,400,000	A & O	108½	Apr. 5,'93	....	....	.....
Pittsburg, Junction 1st 6's.....1922	1,440,000	J & J	124	Mar. 12,'96	....	....	.....
Pittsburg & L. E. 2d g. 5's ser. A, 1928	2,000,000	A & O	112	Mar. 25,'93	....	....	.....
Pittsburg, McK'port & Y. 1st 6's, 1932	2,250,000	J & J	117	May 31,'89	....	....	.....
" 2d g. 6's.....1934	900,000	J & J	.....		....	....	.....
McKspt & Bell. V. 1st g. 6's.....1918	600,000	J & J	.....		....	....	.....
Pittsburg, Pains. & Fpt. 1st g. 5's, 1916	1,000,000	J & J	95½	Apr. 2,'95	....	....	.....
Pitts., Shena'go & L. E. 1st g. 5's, 1940	3,000,000	A & O	94½	Dec. 23,'96	94½	93½	11,000
" 1st cons. 5's.....1943	786,000	J & J	83½	June 5,'96	....	....	.....
Pittsburg & West'n 1st gold 4's, 1917	9,700,000	J & J	75¾	Dec. 28,'96	76	73	33,000
" Mort. g. 5's.....1891-1941	3,500,000	M & N	79⅝	Sept. 9,'95	....	....	.....
Pittsburg, Y & Ash. 1st cons. 5's, 1927	1,562,000	M & N	.....		....	....	.....
Rio Grande West'n 1st g. 4's.....1939	15,200,000	J & J	75½	Dec. 30,'96	77	75	141,000
Rio Grande Junc'n 1st gtd. g. 5's, 1939	1,850,000	J & D	87	Dec. 4,'96	87	87	.....
Rio Grande Southern 1st g. 3-4, 1940	4,510,000	J & J	63	Dec. 3,'96	63	62½	10,000
Salt Lake City 1st g. sink fu'd 6's, 1913	297,000	J & J	.....		....	....	.....
St. Joseph & Grand Island 1st 6's, 1925	553,000	M & N	48	Dec. 31,'96	....	....	.....
" Cent. Tst Co. ctfs of deposit	6,447,000	.....	50	Nov. 27,'96	50	47½	5,000
St. Joseph & Grand Is'd 2d inc., 1925	1,680,000	J & J	4¼	Dec. 11,'95	5	3	31,000
" Coupons off	.....	.....	2	Dec. 10,'96	2	2	3,000
Kansas C'y & Omaha 1st g. 5's, 1927	2,940,000	J & J	37½	Oct. 16,'95	....	....	.....
St. Louis, A. & T. H. 1st 2T. g. 5's, 1914		J & D	104	Dec. 31,'96	104	102½	6,000
" registered	2,200,000	J & D	.....		....	....	.....
Belleville & Carodt 1st 6's.....1923	485,000	J & D	115	June 22,'96	....	....	.....
Chic., St. L. & Pad 1st gd. g. 5's, 1917	1,000,000	M & S	102	Dec. 22,'96	102	101	5,000
St. Louis, South. 1st gtd. g. 4's, 1931	550,000	M & S	70½	May 28,'96	....	....	.....
" 2d inc. 5's.....1931	126,000	M & S	72⅛	Nov. 25,'91	....	....	.....
" 1st con. 5's.....1939	399,000	M & S	.....		....	....	.....
Carbond'e & Shawt'n 1st g. 4's, 1932	250,000	M & S	.....		....	....	.....
St. Louis & San F. 2d 6's, Class A, 1906	500,000	M & N	112	Nov. 23,'96	....	....	.....
" 2d g. 6's, Class B.....1906	2,766,500	M & N	112	Dec. 24,'96	112	110½	10,000
" 2d g. 6's, Class C.....1906	2,400,000	M & N	111½	Nov. 12,'96	....	....	.....
" 1st g. 6's P. C. & O.....1919	1,041,000	F & A	118	May 23,'92	....	....	.....
" gen. g. 6's.....1931	7,807,000	J & J	110¾	Dec. 30,'96	111	109½	60,000
" gen. g. 5's.....1931	12,293,000	J & J	96½	Dec. 24,'96	97	96⅛	74,000
" 1st Trust g. 5's.....1987	1,099,000	A & O	90	Dec. 17,'96	90	90	2,000
" Trust Co. cefs for Cons. 4's all installments paid..	1,450,700	A & O	64	Nov. 30,'96	....	....	.....
Ft. Smith & Van B. Bdg. 1st 6's, 1910	335,000	A & O	104	Oct. 15,'96	....	....	.....
St. Louis, Kan. & So. W. 1st 6's, 1916	732,000	M & S	100	Jan. 19,'95	....	....	.....
Kansas, Midland 1st g. 4's.....1937	1,608,000	J & D	.....		....	....	.....
St. Louis & San F. R. R. g. 4's..1906	6,388,000	J & D	64¾	Dec. 31,'96	66¾	64½	444,000
St. Louis S. W. 1st g. 4's Bd. ctfs., 1989	20,000,000	M & N	67⅛	Dec. 21,'96	69	67⅛	48,000
" 2d g. 4's inc. Bd. ctfs....1989	8,000,000	J & J	26	Nov. 30,'96	....	....	.....
St. Paul City Ry. Cable con. g. 5's. 1937	2,480,000	J&J15	90	Aug. 8,'96	....	....	.....
" gtd. gold 5's.....1937	1,138,000	J & J	90	Mar. 20,'96	....	....	.....
St. Paul & Duluth 1st 5's.....1913	1,000,000	F & A	114	Aug. 24,'94	....	....	.....
" 2d 5's.....1917	2,000,000	A & O	103	Dec. 28,'96	103	102	9,000

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St. Paul, Minn. & Manito'a 1st 7's	1909	357,000	J & J	109	Dec. 30,'96	110	109	5,000
" small			J & J	106	July 29,'84	....	....	.....
" 2d 6's	1909	8,000,000	A & O	118	Dec. 29,'96	118	117⅛	11,000
" Dakota ext'n 6's	1910	5,676,000	M & N	116¾	Dec. 28,'96	116¾	116	9,000
" 1st con. 6's	1933	13,344,000	J & J	124	Dec. 28,'96	124	124	4,000
" 1st con. 6's, registered			J & J	120	Aug.19,'95	....	....	.....
" 1st c. 6's, red'd to 4½'s		20,323,000	J & J	105	Dec. 31,'96	105	104	6,000
" 1st cons. 6's register'd			J & J	105	Nov. 4,'95	....	....	.....
" Mont. ext'n 1st g. 4's	1937	7,805,000	J & D	87½	Dec. 31'96	87½	86	8,000
" registered			J & D	89	Aug.19,'95	....	....	.....
Minneapolis Union 1st 6's	1922	2,150,000	J & J	124	July 31,'96	....	....	.....
Montana Cent. 1st 6's int. gtd.	1937	6,000,000	J & J	115¾	Dec. 28,'96	115½	115	5,000
" 1st 6's, registered			J & J	....	....	....	....	.....
" 1st g. g. 5's	1937	2,700,000	J & J	103	Dec. 18,'96	103	103	5,000
" registered			J & J	....	....	....	....	.....
Eastern Minn. 1st d. 1st g. 5's	1908	4,700,000	A & O	104¾	Nov. 28,'96	....	....	.....
" registered			A & O	....	....	....	....	.....
Willmar & Sioux Falls 1st g. 5's	1938	3,625,000	J & D	106¾	Dec. 10,'96	106¾	106¾	10,000
" registered			J & J	....	....	....	....	.....
San Ant. & Ara. Pass 1st g. g. 4's	1943	18,886,000	J & J	57¼	Dec. 30,'96	57½	56	197,000
San Fran. & N. Pac. 1st s. f. g. 5's	1919	3,872,000	J & J	100	Mar. 17,'96	....	....	.....
Sav. Florida & Wn. 1st c. g. 6's	1934	4,056,000	A & O	114	July 24,'95	....	....	.....
Seaboard & Roanoke 1st 5's	1926	2,500,000	J & J	98	Apr. 18,'96	....	....	.....
Seat L.S.& E.Tr.Co.cts.1st gtg.6's	1931	4,991,000	F & A	42½	Nov. 11,'96	....	....	.....
" assessment paid			F & A	43½	Apr. 28,'96	....	....	.....
Sodus Bay & Sout'n 1st 5's, gold	1924	500,000	J & J	105	Sept. 4,'86	....	....	.....
South Caro'a & Georgia 1st g. 5's	1919	5,250,000	M & N	93½	Dec. 11,'96	93½	93½	5,000
South'n Pac. of Ariz. 1st 6's	1909-1910	10,000,000	J & J	95	Dec. 17,'96	95½	95	32,000
South. Pac. of Cal. 1st 6's	1905-12	30,677,500	A & O	106½	Dec. 18,'96	106½	106½	5,000
" g 5's	1888-1988	652,000	A & O	85½	May 19,'94	....	....	.....
" 1st con. gtd. g 5's	1937	18,402,000	M & N	86¾	Dec. 5,'84	86¾	86¾	8,000
Austin & Northw'n 1st g 5's	1941	1,920,000	J & J	84¼	Dec. 31,'96	84¼	82¾	110,000
So. Pacific Coast 1st gtd. g. 4's	1937	5,500,000	J & J	....	....	....	....	.....
So. Pacific of N. Mex. c. 1st 6's	1911	4,180,000	J & J	105¼	Dec. 31,'96	105½	104¾	95,000
Southern Railway 1st con. g 5's	1994	23,339,000	J & J	91¾	Dec. 31,'96	92¼	89	910,000
" registered			J & J	....	....	....	....	.....
East Tenn. reorg. lien g 4's	1938	4,500,000	M & S	89⅞	Dec. 29,'96	90¼	89⅞	5,000
" registered			M & S	....	....	....	....	.....
Alabama Central, 1st 6's	1918	1,000,000	J & J	109	Oct. 27,'96	....	....	.....
Atl. & Char. Air Line, 1st 7's	1907	500,000	A & O	121¾	May 25,'92	....	....	.....
" income	1900	750,000	A & O	104	May 24,'95	....	....	.....
Col. & Greenville, 1st 5-6's	1916	2,000,000	J & J	113	Nov. 9,'96	....	....	.....
East Tenn., Va. & Ga. 1st 7's	1900	3,123,000	J & J	111	Dec. 8,'96	111	110½	2,000
" divisional g 5's	1930	3,106,000	J & J	112	Dec. 22,'96	112	111	5,000
" con. 1st g 5's	1956	12,770,000	M & N	107	Dec. 31,'96	107¾	106¼	138,000
Ga. Pacific Ry. 1st g 5-6's	1922	5,660,000	J & J	110	Nov. 5,'96	....	....	.....
Knoxville & Ohio, 1st g 6's	1925	2,000,000	J & J	113¼	Dec. 11,'96	114¼	113¼	23,000
Rich. & Danville, con. g 6's	1915	5,507,000	J & J	120½	Dec. 18,'96	120½	119	69,000
" equip. sink. f'd g 5's	1909	1,328,000	M & S	98½	Apr. 30,'96	....	....	.....
" deb. 5's stamped	1927	3,368,000	A & O	93	Nov. 16,'96	....	....	.....
Vir. Midland serial ser. A 6's	1906	600,000	M & S	....	....	....	....	.....
" small			M & S	....	....	....	....	.....
" ser. B 6's	1911	1,900,000	M & S	....	....	....	....	.....
" small			M & S	....	....	....	....	.....
" ser. C 6's	1916	1,100,000	M & S	....	....	....	....	.....
" small			M & S	....	....	....	....	.....
" ser. D 4-5's	1921	950,000	M & S	....	....	....	....	.....
" small			M & S	....	....	....	....	.....
" ser. E 5's	1926	1,775,000	M & S	....	....	....	....	.....
" small			M & S	....	....	....	....	.....
" ser. F 5's	1931	1,310,000	M & S	....	....	....	....	.....
Virginia Midland gen. 5's	1936	2,392,000	M & N	99	Dec. 15,'96	99	99	1,000
" gen.5's, gtd. stamped	1926	2,466,000	M & N	96	Nov. 27,'96	....	....	.....
W. O. & W. 1st cy. gtd. 4's	1924	1,275,000	F & A	79¼	Apl. 3,'95	....	....	.....
W. Nor. C. 1st con. g 6's	1914	2,531,000	J & J	114	Dec. 30,'96	114	113¼	13,000
Staten Island Ry 1st gtd. g 4½s	1943	500,000	J & D	....	....	....	....	.....
Ter. R. R. Assn. St. Louis 1g 4½'s	1939	7,000,000	A & O	100¼	Sept. 12,'94	....	....	.....
" 1st con. g. 5's	1894-1944	4,500,000	F & A	102	Oct. 30,'96	....	....	.....
St. L. Mers. bdg. Ter. gtd g. 5's	1930	3,500,000	A & O	108⅝	Oct. 9,'95	....	....	.....
Terre Haute Elec. Ry. gen. g 6's	1914	444,000	Q JAN	105⅝	Dec. 18,'95	....	....	.....
Texas & New Orleans 1st 7's	1905	1,620,000	F & A	108	Feb. 19,'96	....	....	.....
" abine d. 1st 6's	1912	2,575,000	M & S	107½	Apr. 16,'96	....	....	.....
" on. m. g 5's	1943	1,620,000	F & A	93	Dec. 28,'96	94¼	92¾	98,000

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

NAME. *Principal Due.*	*Amount.*	*Int'st Paid.*	LAST SALE. *Price.*	*Date.*	DECEMBER SALES. *High.*	*Low.*	*Total.*
Tex. & Pacific, East div. 1st 6's, fm. Texarkana to Ft. W'th 1905	3,784,000	M & S	107	May 14,'96	....	....	.....
" 1st gold 5's.....2000	21,049,000	J & D	85¼	Dec. 31,'96	86	84	125,000
" 2d gold income, 5's.....2000	23,227,000	MAR.	19¾	Dec. 30,'96	22	18¼	559,000
Third Avenue 1st g 5's.....1937	5,000,000	J & J	123	Dec. 30,'96	123	121½	20,000
Toledo & Ohio Cent. 1st g 5's....1935	3,000,000	J & J	107½	Dec. 31,'96	107½	107½	3,000
" 1st M. g 5's West. div...1935	2,500,000	A & O	107½	July 25,'96	....	....	.....
" gen. g. 5's.....1935	1,500,000	J & D	.....		....	....	.....
" Kanaw & M. 1st g. g. 4's.1990	2,340,000	A & O	78	Dec. 22,'96	78¼	78	6,000
Toledo, Peoria & W. 1st g 4's....1917	4,800,000	J & D	70½	Dec. 18,'96	71	70½	9,000
Tol., St. L. & K. C. Tr. Rec. 1st g 6's. 1916	8,234,000	M & N	69½	Dec. 21,'96	70	66	20,000
Ulster & Delaware 1st c. g 5's....1928	1,852,000	J & D	100	Dec. 30,'96	100	100	2,000
Union Pacific 1st 6's.....1896		J & J	103	Dec. 30,'96	103	102¼	32,000
" eng. Tr. Co. cfs. ex mat cps		.....	102	Dec. 18,'96	102¼	101½	159,000
" 1897		J & J	103	Dec. 7,'96	103	102½	18,000
" eng. Tr. Co. cfs. ex mat cps	27,229,000	.....	103	Dec. 31,'96	103	101½	42,000
" 1898		J & J	103	Dec. 31,'96	103¼	103	91,000
" eng. Tr. Co. cfs. ex mat cps		.....	103	Dec. 30,'96	103¼	102	229,000
" 1899		J & J	103	Dec. 31,'96	103¼	103¼	2,000
" eng. Tr. Co. cfs. ex mat cps		.....	103	Dec. 22,'96	103⅛	101⅛	28,000
" collat. trust 6's.....1908	3,983,000	J & J	98½	Nov. 27,'96	....	....	.....
" 5's.....1907	4,970,000	J & D	75	Dec. 3,'96	75	75	1,000
" g 4½'s.....1918	2,058,000	M & N	50	May 22,'95	....	....	.....
" eng. Tr. Co. certifs.....		.....	45	Dec. 11,'96	47	45	20,000
" gold notes, 6's stampd, 1894.	8,506,000	F & A	100	Dec. 29,'96	101½	97½	993,000
" Ext. sink'g f'd g 8's..1899	2,070,000	M & S	87½	Dec. 18,'96	90	87½	34,000
" eng. Tr. Co. certifs.....	1,391,000	.....	93	Apr. 24,'96	....	....	.....
Kansas Pacific 1st 6's.....1895	1,461,000	F & A	107	Dec. 9,'96	107	107	2,000
" eng. Tr. Co. cfs. ex mat cps	779,000	.....	....	....	....	....	.....
" 1st 6's.....1896	2,169,000	J & D	110	Dec. 24,'96	110	109	10,000
" eng. Tr. Co. cfs. ex mat cps	1,894,000	.....	95	Dec. 8,'96	95	95	3,000
" Denver div. assd. 6's..1899	2,973,000	M & N	113	Dec. 31,'96	113	111	21,000
" eng. Tr. Co. cfs. ex mat cps	2,914,000	.....	98½	Dec. 15,'96	98¼	98¼	8,000
" Tr. Co. ctfs. 1st con. 6's1919	10,664,000	.....	66	Dec. 22,'96	70½	65	86,000
Cent. Br. Un. Pac. f'd cpns 7's.1895	630,000	M & N	96	June 22,'93	....	....	.....
Atch., Colo. & Pac., 1st 6's.....1905	4,070,000	Q F	27	Dec. 15,'96	28	25	13,000
At., Jewell Co. & West. 1st 6's. 1905	542,000	Q F	27	Dec. 7,'96	27	27	1,000
U. P., Lin. & Colo. 1st grtd g. 5's.1918	4,480,000	A & O	24½	Dec. 30,'96	25	24½	6,000
" Den. & Gulf 1st c. g. 5's.1939	15,801,000	J & D	35	Dec. 18,'96	37½	34¾	114,000
Or. S. L. & U. N. Tr. Co. ctfs. at cn. g. 1919	10,792,000	A & O	65⅝	Dec. 14,'96	66½	63¾	31,000
" assented.....	.....	.....	.....	.....	.....	.....	.....
Oregon Short Line 1st 6's.....1922	3,538,000	F & A	113	Dec. 29,'96	113	111	30,000
" Trust Co. ctfs of dep.....	11,393,000	.....	111	Dec. 31,'96	111¼	102¼	166,000
Utah & Nor'n R'y 1st mtg 7's..1908	689,000	J & J	118	Dec. 23,'96	118	115	114,000
" gold 5's.....1926	1,877,000	J & J	100	May 14,'96	....	....	.....
Utah So'n Tr. Co. cts. gen. mg 7's. 1909	1,495,000	J & J	63¾	Dec. 24,'96	65½	63¾	10,000
" Tr. Co. ctfs. ext. 1st 7's. 1909	1,924,000	J & J	64	Dec. 21,'96	66	64	15,000
Wabash R.R. Co., 1st gold 5's....1939	31,664,000	M & N	106	Dec. 31,'96	106¾	105½	291,000
" 2d mortgage gold 5's..1939	14,000,000	F & A	70	Dec. 30,'96	72½	69¾	130,000
" deben. mtg series A..1939	3,500,000	J & J	.....	.....	....	....	.....
" series B.....1939	25,740,000	J & J	22	Dec. 16,'96	22	22	7,000
" 1st g. 5's Det. & Chi. ex. 1940	3,500,000	J & J	99	Dec. 29,'96	99	96	39,000
St. L., Kan. C. & N. St. Chas. B. 1st 6's.....1908	1,000,000	A & O	104¼	Dec. 30,'96	104¼	104¼	4,000
Western N.Y. & Penn. 1st g. 5's..1937	10,000,000	J & J	107½	Dec. 30,'96	107¾	106½	8,000
" gen g. 2-3-4's.....1943	10,000,000	A & O	45½	Dec. 29,'96	47½	45	15,000
" inc. 5's.....1943	10,000,000	Nov.	13	Dec. 16,'96	13½	13	60,000
West Va. Cent'l & Rac. 1st g. 6's.1911	3,000,000	J & J	108	Feb. 18,'96	....	....	.....
Wheeling & Lake Erie 1st 5's....1926	3,000,000	A & O	97	Nov. 21,'96	....	....	.....
" Wheeling div. 1st g. 5's.1928	1,500,000	J & J	90	Jan. 27,'96	....	....	.....
" exten. and imp. g. 5's...1930	1,624,000	F & A	91	May 8,'96	....	....	.....
" consol mortgage 4's....1992	1,600,000	J & J	62¼	July 20,'96	....	....	.....
Wisconsin Cent. Co. 1st trust g. 5's1937	2,364,000	J & J	33	Oct. 29,'96	....	....	.....
" eng. Trust Co. certificates.	9,636,000	.....	38¼	Dec. 30,'96	40	38	60,000
" income mortgage 5's...1937	7,775,000	A & O	7½	Nov. 18,'96	....	....	.....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS.

NAME.	Principal Due.	Amount.	Int'st Paid.	LAST SALE. Price.	Date.	DECEMBER SALES. High.	Low.	Total.
American Cotton Oil deb. g. 8's	1900	3,068,000	Q F	107⅛	Dec. 12,'96	107⅛	105½	6,000
Am. Spirit Mfg. Co. 1st g. 6's	1915	2,000,000	M & S	74½	Dec. 31,'96	75½	71	165,000
Am. Water Works Co. 1st 6's	1907	1,800,000	J & J	105	July 6,'91	....	....	.....
" 1st con. g. 5's	1907	1,000,000	J & J	100½	May 13,'89	....	....	.....
Barney & Smith Car Co. 1st g. 6's	1942	1,000,000	J & J	.....		....	....	.....
Bost. Un. Gas tst ctfs s'k f'd g. 5's	1939	7,000,000	J & J	87¼	Nov. 10,'96	....	....	.....
B'klyn Union Gas Co. 1st con. g. 5's	1945	12,336,000	M & M	105½	Dec. 31,'96	106	105⅜	205,000
B'klyn Wharf & Wh. Co. 1st g. 5's	1945	17,500,000	F & A	99½	Dec. 31,'96	101	99½	44,000
Chic. Gas Lt & Coke 1st gtd g. 5's	1937	10,000,000	J & J	95¼	Dec. 31,'96	95¼	95	19,000
Chic. Junc. & St'k Y'ds col. g. 5's	1915	10,000,000	J & J	107	Nov. 23,'96	....	....	.....
Colo. Coal & Iron 1st con. g. 6's	1900	2,964,000	F & A	98	Dec. 21,'96	98½	97	27,000
Colo. C'l & I'n Devel. Co. gtd g. 5's	1909	700,000	J & J	99	Feb. 8,'96	....	....	.....
" Coupon off		.....	M & N	.....		....	....	.....
Colo. Fuel Co. gen. g. 6's	1919	1,043,000	M & N	106½	Nov. 10,'92	....	....	.....
Col. Fuel & Iron Co. gen. sf g 5's	1943	2,021,000	F & A	80	May 27,'96	....	....	.....
Colo. Hock. Val. C'l & I'n g. 6's	1917	960,000	J & J	94	Sept. 21,'94	....	....	.....
Consolidated Coal conv. 6's	1897	1,250,000	J & J	100	Oct. 31,'96	....	....	.....
Con'rs Gas Co. Chic. 1st g. 5's	1936	4,346,000	J & D	84	Dec. 18,'96	85½	84	36,000
Detroit Gas Co. 1st con. g. 5's	1918	2,000,000	F & A	75½	Dec. 31,'96	75½	74½	30,000
Edison Elec. Illu. 1st conv. g. 5's	1910	4,312,000	M & S	110½	Dec. 29,'96	110½	109¾	17,000
" 1st con. g. 5's	1995	2,130,000	J & J	106⅝	Dec. 31,'96	106⅝	105	195,000
" Brooklyn 1st g. 5's	1940	1,000,000	A & O	110	Dec. 17,'96	110	110	2,000
" registered			A & O	.....		....	....	.....
Equitable Gas Light Co. of N. Y.								
" 1st con. g. 5's	1932	2,500,000	M & S	114	Dec. 14,'96	114	114	1,000
Equit. Gas & Fuel, Chic. 1st g. 6's	1905	2,000,000	J & J	98	Dec. 12,'96	98	98	5,000
Erie Teleg. & Tel. col. tr. g s f d 5's	1926	1,000,000	J & J	.....		....	....	.....
General Electric Co. deb. g. 5's	1922	8,750,000	J & D	91	Dec. 31,'96	91½	90	32,000
Grand Riv. Coal & Coke 1st g. 6's	1919	780,000	A & O	90	Nov. 26,'95	....	....	.....
Hackensack Wtr Reorg. 1st g. 5's	1926	1,090,000	J & J	107⅜	June 3,'92	....	....	.....
Hend'n Bdg Co. 1st s'k. f'd g. 6's	1931	1,755,000	M & S	110	Dec. 4,'96	110	110	1,000
Hoboken Land & Imp. g. 5's	1910	1,440,000	M & N	102	Jan. 19,'94	....	....	.....
Illinois Steel Co. debenture 5's	1910	6,200,000	J & J	86	May 8,'96	....	....	.....
" non. conv. deb. 5's	1910	7,000,000	A & O	92	Oct. 2,'95	....	....	.....
Iron Steamboat Co. 6's	1901	500,000	J & J	75½	Dec. 4,'95	....	....	.....
Int'r Cond & Insul Co. deb. g. 6's	1925	500,000	A & O	81	Oct. 16,'95	....	....	.....
Lac. Gas L't Co. of St. L. 1st g. 5's	1919	10,000,000	Q F	93	Dec. 30,'96	93⅛	92½	93,000
" small bonds				97½	Nov. 1,'95	....	....	.....
Madison Sq. Garden 1st g. 5's	1919	1,250,000	M & N	.....		....	....	.....
Manh. Bch H. & L. lim. gen. g. 4's	1940	1,300,000	M & N	55	Aug. 27,'95	....	....	.....
Metrop. Tel & Tel. 1st s'k f'd g. 5's	1918	2,000,000	M & N	103¾	Jan. 5,'92	....	....	.....
" registered			M & N					
Mich. Penins. Car Co. 1st g 5's	1942	2,000,000	M & S	89½	Oct. 23,'96	....	....	.....
Mutual Union Tel. Skg. F. 6's	1911	1,957,000	M & N	111½	Dec. 18,'96	111½	111½	8,000
Nat. Starch Mfg. Co., 1st g 6's	1920	3,837,000	J & J	98	Dec. 12,'96	98½	98	5,000
Newport News Shipbuilding & Dry Dock 5's	1890-1990	2,000,000	J & J	94	May 21,'94	....	....	.....
N. Y. & N. J. Tel. gen. g 5's cnv.	1920	1,261,000	M & N	100	June 4,'95	....	....	.....
N. Y. & Ontario Land 1st g 6's	1910	443,000	F & A	92¼	May 5,'96	....	....	.....
North Western Telegraph 7's	1904	1,250,000	J & J	107	May 13,'89	....	....	.....
Peop's Gas & C. Co. C. 1st g. g 6's	1904	2,100,000	M & N	106	Oct. 12,'96	....	....	.....
" 2d 6's	1904	2,500,000	J & D	104	Dec. 23,'96	104	103½	14,000
" 1st con. g 6's	1943	4,900,000	A & O	100	Dec. 21,'96	100	100	71,000
Peoria Water Co. g 6's	1889-1919	1,254,000	M & N	100	June 23,'92	....	....	.....
Pleasant Valley Coal 1st g 6's	1920	500,000	M & N	106¾	Oct. 14,'95	....	....	.....
Procter & Gamble, 15t g 6's	1940	2,000,000	J & J	117	Dec. 12,'95	....	....	.....
So. Y. Water Co. N. Y. con. g 6's	1923	478,000	J & J	102½	June 3,'96	....	....	.....
Spring Valley W. Wks. 1st 6's	1906	4,975,000	M & S	.....		....	....	.....
Standard Rope & Twine 1st g. 6's	1946	3,000,000	F & A	74⅞	Dec. 31,'96	79½	69½	209,000
" " inc. g. 5's	1946	7,500,000	.....	25	Dec. 31,'96	25	25	2,000
Sun. Creek Coal 1st sk. fund 6's	1912	400,000	J & D	.....		....	....	.....

BOND QUOTATIONS.—Last sale, price and date; highest and lowest prices and total sales for the month.

NOTE.—The railroads enclosed in a brace are leased to Company first named.

MISCELLANEOUS BONDS—*Continued.*

NAME.	Principal Due.	Amount.	Int't paid.	LAST SALE. Price.	Date.	DECEMBER SALES. High.	Low.	Total.
Ten. Coal, I. & R. T. d. 1st g 6's	1917	1,299,000	A & O	85	Dec. 1,'96	85	83	7,000
" Bir. div. 1st con. 6's	1917	3,490,000	J & J	88	Dec. 24,'96	89¼	88	43,000
Cah. Coal M. Co. 1st gtd. g 6's	1922	1,000,000	J & D	84	May 2,'95	....	....	.....
De Bard. C & I Co. gtd. g 6's	1910	2,434,000	F & A	92	Dec. 3,'95	....	....	.....
U. S. Leather Co. 6% g s. fd deb.	1915	6,000,000	M & N	111¾	Dec. 30,'96	111¾	111	22,000
Vermont Marble, 1st s. fund 5's	1910	640,000	J & D	.....		....	....	.....
Western Union deb. 7's	1875-1900	3,720,000	M & N	110	Apr. 10,'96	....	....	.....
" 7's, registered	1900		M & N	106	Sept.30,'96	....	....	.....
" debenture, 7's	1884-1900	1,000,000	M & N	105	Aug.25,'96	....	....	.....
" registered			M & N	.....		....	....	.....
" col. trust cur. 5's	1938	8,405,000	J & J	108	Dec. 29,'96	108	106½	13,000
Wheel L. E. & P. Cl Co. 1st g 5's	1919	866,000	J & J	68	Dec. 23,'96	68¼	68	8,000
Whitebrst Fuel gen. s. fund 6's	1908	570,000	J & D	.....		....	....	.....

UNITED STATES GOVERNMENT SECURITIES.

NAME	Principal Due.	Amount.	Int'st Paid.	YEAR 1896. High.	Low.	DECEMBER SALES. High.	Low.	Total.
United States 2's registered	Opt'l	25,364,[illegible]00	Q M	96	91	96	95½	4,000
" 4's registered	1907	559,634,000	J A J&O	110½	104¾	110½	109	62,000
" 4's coupon	1907		J A J&O	112½	106	112½	110½	50,000
" 4's registered	1925	162,315,400	Q F	120⅝	111¾	120⅝	120	47,000
" 4's coupon	1925		Q F	120¾	111¼	120⅞	119	1,462,000
" 5's registered	1904	100,000,000	Q F	114	109	114	113⅝	2,000
" 5's coupon	1904		Q F	114½	108½	114	113⅝	200,000
" 6's currency	1897	9,712,000	J & J	103¼	103¼	....	....	.....
" "	1898	20,904,952	J & J	105	103	....	....	.....
" "	1899	14,004,560	J & J	107½	105	....	....	.....
" 4's reg. cer. ind. (Cherokee)	1898	1,660,000	MAR	....	....	....	....	.....
" "	1897	1,660,000	MAR	....	....	....	....	.....
" "	1898	1,660,000	MAR	....	....	....	....	.....
" "	1899	1,660,000	MAR	....	....	....	....	.....

Gold and Silver Coinage.—The Director of the Mint reports the coinage of $4,363,165 gold and $2,551,988 silver during December. Of the silver coinage $1,700,250 was in standard dollars. The total coinage for the year 1896 was $47,052,561 gold and $23,089,899 silver.

	1895. Gold.	1895. Silver.	1896. Gold.	1896. Silver.
January	$3,608,300	$574,000	$12,914,600	$35,000
February	6,143,800	491,000	1,240,000	1,500,000
March	2,866,102	573,537	1,540,555	1,683,531
April	4,639,300	505,000	1,500,000	1,831,000
May	4,163,938	440,503	2,857,200	1,828,490
June	1,750,000	440,043	2,471,217	1,950,000
July	2,910,000	277,000	2,918,300	1,092,000
August	3,672,200	748,000	3,315,000	2,686,000
September	7,543,573	473,167	3,140,923	2,754,185
October	7,215,700	820,000	5,727,500	2,844,010
November	6,916,300	190,169	5,064,700	2,305,022
December	8,097,145	75,592	4,363,165	2,551,988
Year	$59,616,357	$5,698,011	$47,052,561	$23,089,899

WANTED—A Cashier for a National Bank of $200,000 Capital and $40,000 Surplus, with average Deposits of $325,000, in a growing manufacturing City in Massachusetts. The Bank owns and occupies quarters unsurpassed by any Bank in New England. Applicant must have had experience and come well recommended and be willing and able to work in season and out of season for the interest of the Bank, none other need apply.
Address "President," care of THE BANKERS' MAGAZINE, 78 William St., New York City.

BANKERS' OBITUARY RECORD.

Ackerman.—John G. L. Ackerman, county treasurer of Schenectady county, and Cashier of the Mohawk National Bank, Schenectady, N. Y., died December 21, aged about forty-five years.

Bancroft.—Reuben F. Bancroft, Vice-President of the Central Trust Co., Philadelphia, and one of the oldest iron manufacturers of that city, died December 10.

Brinckerhoff—Charles C. Brinckerhoff, Vice-President of the Institution for the Savings of Merchants' Clerks, New York city, died December 17.

Champlin.—Mortimer H. Champlin, at one time teller in the National Exchange Bank, and for about twenty years teller in the Roger Williams National Bank, and Assistant Manager of the Clearing-House Association, Providence, R. I., died January 7, aged forty-two years. He was widely known and admired for the many admirable traits of his character.

Cornelius.—Richard D. Cornelius, Cashier of the National Farmers and Planters' Bank, Baltimore, committed suicide by drowning, January 4. There was a shortage of $60,000 in his accounts.

Fischer.—J. J. Fischer, President of the German Insurance Bank, Louisville, Ky., died December 23.

Gossler.—James M. Gossler, Cashier of the Lebanon (Pa.) National Bank, is reported to have shot himself fatally January 11.

Gould.—James H. Gould, President of the Exchange National Bank, Seneca Falls, N. Y., and also president of the Gould Manufacturing Co., died December 30, aged fifty-two years.

Husted.—Henry Husted, Cashier of the Union County National Bank, Liberty, Ind., took his own life on January 2. He served in the late war as a lieutenant, had been a county officer, and was Cashier of the bank for twenty-three years.

Hyde.—E. C. Hyde, President of the Marine National Bank, Bath, Me., died December 26.

Ingalls.—Hon. Henry Ingalls, President of the First National Bank, Wiscasset, Me., since its organization, died December 10.

Johnston.—John Johnston, President of the Exchange Bank, Clayton, N. Y., and at one time prominently identified with navigation interests on the St. Lawrence River, died December 22, aged eighty years.

Kaiser.—John G. Kaiser, an old resident of St. Louis, and a director of the Franklin Bank, of that city, died January 7.

MacFarlane.—E. O. MacFarlane, President of the Citizens' National Bank, Towanda, Pa., died January 6.

Plummer.—Hezekiah Plummer, President of the Lawrence (Mass.) Savings Bank, died January 11. He was connected with numerous enterprises, and was a large owner of property.

Shoemaker.—Robert Shoemaker, a director of the Consolidation National Bank, Philadelphia, and a prominent business man, died December 17.

Smith.—Major R. Augustine Smith, Vice-President of the Nassau Bank, New York city, uary 9, aged seventy-six years.

Walker.—Gen. Francis A. Walker, President of the Massachusetts Institute of Technology, the author of several works on finance, and a well-known advocate of international bimetallism, died at Boston, January 5, aged fifty-six years. He was the Superintendent of the Tenth Census, and enjoyed a wide reputation for his scientific attainments.

Wheeler.—John O. Wheeler, for the past twenty-seven years Cashier of the First National Bank, West Winfield, N. Y., and well known as an upright and enterprising business man, died December 23.

Woodrow.—Benjamin Woodrow, one of the oldest settlers of Jasper county, Iowa, and a leading owner of the Jasper County Bank, at Newton, died January 7, aged ninety-two years.